



2014

Social and Environmental Responsibility Report

FOXCONN[®]

FOXCONN TECHNOLOGY GROUP

Preface

About this Report

This annual Social and Environmental Responsibility (SER) Report issued by Foxconn Technology Group (hereinafter "Foxconn" or "Group" or "company") is part of Foxconn's commitment to be a good corporate citizen and is intended to communicate developments over the past year regarding our efforts to promote sustainability throughout our operations.

Foxconn will continue to publish the SER Report in English and Chinese every year. The current report is released in June 2015, while the previous issue was published in June 2014 and the next issue is expected to be released in June 2016.

Please visit: www.foxconn.com for more information on this report.

Reporting Principles

This report is prepared with reference to the G4 Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI). Please refer to the Appendix for additional information on related standard disclosure.

Reporting Period

This report covers the period from January 1 to December 31, 2014 and SER initiatives by the Foxconn Technology Group (also known as Hon Hai Precision Industry Co., Ltd) and its majority-owned subsidiary companies, controlled entities, and affiliates, hereinafter referred to as "Foxconn".

Reporting Scope

The data contained in this report includes information compiled by all relevant departments and units within Foxconn, including Investor Relations, Human Resources, Procurement, Health and Safety, Environmental Protection, Training and Development, The Foxconn University, the Taiwan Yonglin Foundation, and the Foxconn Labor Union, among others.

Assurance

Prepared by the Global SER Committee at Foxconn, this report was independently reviewed by Beijing-based Longan Law Firm with reference to the GRI G4 guidelines.

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Letter from Founder and CEO



As one of the world's largest manufacturing companies, we recognize that we must set a positive example in the management of each step in our global supply chain.

Since our company was founded more than 41 years ago, our vision has been to provide technological products and solutions that bring convenience each and every day to people in all walks of life throughout the world. We recognize that we must do this in a way that respects our commitments to sustainability and to being a responsible employer and a good corporate citizen.

This report is part of our effort to communicate to all our stakeholders the progress we are making in all areas of our SER program. This includes the work our teams are carrying out to ensure that our more than one million global employees see their work with our company as an opportunity to not only earn a competitive wage, but also an opportunity to advance professionally through accredited continuing education and training programs such as courses available at the Foxconn University.

We take our obligation to provide a healthy and safe working environment for our employees very seriously. Foxconn abides by a "safety first" policy and our focus is on putting in place proactive prevention measures to eliminate and reduce occupational risks, and provide a healthy and safe workplace for our employees. Occupational health and industrial safety policies are clearly outlined in our Code of Conduct (CoC), which defines how we conduct our business. The Foxconn Global Social and Environmental Responsibility Committee (hereinafter FGSC or Global SER Committee) ensures that goals and policies are carried out at each and every campus, and the committee reviews our CoC regularly to ensure that we continue to fulfill our responsibilities as an employer and as a corporate citizen.

As one of the world's largest manufacturing companies, we recognize that we must set a positive example in the management of each step in our global supply chain. This includes embracing green procurement management practices and ensuring that the high standards we set for ourselves are also followed by our vendors and suppliers, in areas including employee occupational health and safety, energy efficiency, carbon management and ensuring that conflict minerals are not used in our manufacturing processes.

All Foxconn companies are committed to playing a role in helping to meet the Group's environmental protection and management objectives and to realizing our commitment to promoting a new and more positive global eco-culture. In doing this, we adopt a holistic approach towards sustainability that begins from the design of products, to the development and application of innovative, energy-efficient technologies to the actual manufacturing process and to promoting and facilitating the recycling of the by-products of our manufacturing operations.

We place a priority on promoting a sustainable industry ecosystem through the application of innovative solutions, including support for a circular economy, across the entire industry value-chain. As part of this commitment, Foxconn has implemented initiatives such as a device trade-in program, where smartphones are collected and reconditioned by our company and then re-sold under a Foxconn warranty to customers. Such programs give a renewed lease of life to consumer electronics products, enabling us to reduce wastage and premature scraping of devices that can still be used.

In addition, Foxconn is continuously looking at ways we can further boost energy efficiency and reduce energy use, as well as to continually reduce our carbon footprint. In that regard, we are particularly pleased with the success of our fourth-generation industrial park in Guizhou, China, which epitomizes Foxconn's sustainability vision and our green manufacturing philosophy.

Our efforts to be a good corporate citizen include contributions to the communities where we operate through a range of corporate social responsibility initiatives. We actively participate in social and community-based programs, including organizing philanthropic activities to do our part in creating a caring environment to support the underprivileged and to support programs that help bridge the knowledge gap between children living in urban and rural areas.

We have made significant progress in the achievement of our SER goals, but we also know that more work needs to be done. Meeting our goals requires continuous investments of time, money and energy on the part of our entire leadership team and I can assure all of our stakeholders, both inside and outside our company, that we will continue to make those investments because they are not only the right things to do, they are also consistent with our vision of how an industry leader should conduct itself.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Gou". The signature is stylized and fluid, with a long horizontal stroke extending to the right.

Terry Gou
Founder and Chief Executive Officer
Foxconn Technology Group

Letter from Chairman of Foxconn Global SER Committee

We place a high priority on ensuring the health, safety, and well-being of all our employees across all of our global operations, and our employee health and safety policies and standards meet all relevant international and local laws and regulations.

The Foxconn Technology Group firmly believes that corporate social and environmental responsibility (SER) and sustainability are key pillars for an enterprise's continued success. As a responsible corporate citizen, we are committed to continuously enhancing our corporate governance structure, safeguarding the rights of our employees, promoting green manufacturing, increasing resource efficiency and preventing environmental pollution, as well as doing our part to ensure that all industry stakeholders participate in sustainable development.

Our employees are our most important asset and we are fully committed to continuing to provide them with a positive working environment. Foxconn is an equal opportunity employer, where diversity is encouraged in the workplace. Our merit-based remuneration system enables our employees to receive competitive salaries and benefits based on performance. In addition, Foxconn promotes continuing education and training for employees through our Foxconn University, supporting our employees in skills upgrading and professional development.

We place a high priority on ensuring the health, safety, and well-being of all our employees across all of our global operations, and our employee health and safety policies and standards meet all relevant international and local laws and regulations. Foxconn supports a number of measures to provide for employee healthcare needs and ensure workplace safety. We also leverage big data technology through the h2u cloud platform to consolidate health information and provide alerts offering health notices to employees to ensure promptness and accuracy in managing employees' health information.

In addition, Foxconn is committed to building a sustainable supply chain. We require suppliers and their downstream suppliers to ensure that all requirements are fulfilled in order to restrict the use of toxic and hazardous substances, encourage the deployment of carbon emission reduction solutions and other environmentally-friendly practices and solutions, and to bolster capabilities in making eco-friendly products. As part of that process, we support suppliers in the implementation of sustainability practices throughout the value-chain, from product sourcing to risk management and auditing. We conduct regular audits of our suppliers, working closely with our supply chain partners to address any potential non-conformances and to promote international best practices by establishing benchmarks and creating platforms for the sharing of experience and expertise with suppliers.

Environmental sustainability is a key goal for Foxconn. We have put in place a systematic approach towards integrating green and sustainable practices in our operations, implementing measures in the areas of environmentally-friendly product design, carbon emission reduction, process management, energy and resource management, and supply chain management to minimize the negative impact of our operations on the environment. Foxconn administers environmental measures in all aspects of our business, from product and plant building design to energy efficiency and waste management, and our operations are in compliance with international standards on energy efficiency, waste management and other environmental protection measures.

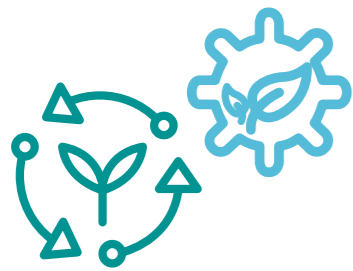
As an active member of the local communities where we operate in, Foxconn embraces a culture of sharing and contributing and giving back to the community and we participate in social and community-based programs, including sponsoring and hosting philanthropic activities and volunteer programs. We are dedicated to doing our part to create a caring environment, promote respect for the disadvantaged, drive charitable programs, and contribute to the bridging of the education gap between those living in urban and rural areas through promoting the development of a sustainable ecosystem and the application of green technology and intelligent solutions. Foxconn encourages all employees to join our company in actively contributing or volunteering to support social causes as part of our corporate culture to sponsor and support philanthropic activities.

Sincerely,



Jacob Chen
Chairman of Global SER Committee
Foxconn Technology Group

Executive Summary



Foxconn is committed to adopting and promoting green and environmentally-responsible manufacturing practices and to investing in and promoting sustainable technology solutions.

FOXCONN: Our commitment to social and environmental responsibility

The Foxconn Technology Group firmly believes that corporate social and environmental responsibility (SER) and sustainability are key pillars for a successful enterprise. Since our company was founded in 1974, we have adopted a strategic and systematic approach towards aligning our business, values and practices with what our stakeholders need and expect from a global industry leader.

As such, we are committed to investing in our people and the community, and harnessing our expertise in leading innovation to develop sustainable technology solutions and products in all areas of our operations around the world. We recognize that a committed workforce and a positive working environment are important building blocks to innovation and creativity, and we dedicate resources to protect the well-being of employees and we contribute to the development of the local communities in markets where we operate.

As an active member of the Electronic Industry Citizenship Coalition (EICC), Foxconn is dedicated to fulfilling our responsibilities as a good corporate citizen and to integrating good governance practices in all aspects of our operations. Foxconn is also committed to adopting and promoting green and environmentally-responsible manufacturing practices and to investing in and promoting sustainable technology solutions.

All aspects of our business and our operations are guided by our Social and Environmental Responsibility Code of Conduct (CoC), which is monitored by Foxconn's Global SER Committee. The CoC is derived from:

- The obligations we have as a member of leading industry associations including the EICC and international standard institutes which are relevant to Foxconn's business

- The laws covering the locations where Foxconn has operations
- The Foxconn management team who make decisions regarding any need to revise or enhance performance standards
- The codes of conduct of our customers who require us to be in compliance with the high standards set by leading global corporations

The CoC sets out Foxconn's standards relating to business ethics, labor and human rights, health and safety, and the environment and it also details the actions we take to ensure that the CoC is strictly adhered to across our operations. Our CoC integrates such international directives as the EICC guidelines and United Nations Global Compact principles, and it covers the following areas, in addition to specifying clear policies on the restriction on the use of conflict materials and anti-corruption:



ETHICS

Business Integrity
Disclosure of Information
No Improper Advantage
Fair Business, Advertising and Competition
Maintenance of Confidentiality and Anonymity

Community Engagement
Protection of Intellectual Property
Protection of Privacy
Non-Retaliation



LABOR AND HUMAN RIGHTS

Freely Chosen Employment
Child Labor Prohibition and Young Workers Protection
Protection of Maternity Rights and Health of Female Workers

Non-Discrimination
Fair and Humane Treatment
Wages and Benefits
Working Hours
Freedom of Association



HEALTH AND SAFETY

Machine Safety
Industrial Hygiene
Occupational Safety
Emergency Preparedness and Response

Occupational Injury and Illness
Ergonomics
Dormitory and Canteen
Health and Safety Communication



ENVIRONMENT

Product Content Restrictions
Chemicals and Hazardous Materials
Wastewater and Solid Waste
Air Emissions

Environmental Permits and Reporting
Pollution Prevention and Resource Reduction
Storm Water Management
Energy Consumption and Greenhouse Gas Emissions



MANAGEMENT SYSTEM

Company Commitment
Management Accountability and Responsibility
Legal and Customer Requirements
Risk Assessment and Risk Management
Performance Objectives, Implementation Plan and Measures
Training

Communication
Worker Feedback and Participation
Audits and Assessments
Corrective Action Process
Documentation and Records
Supplier Responsibility



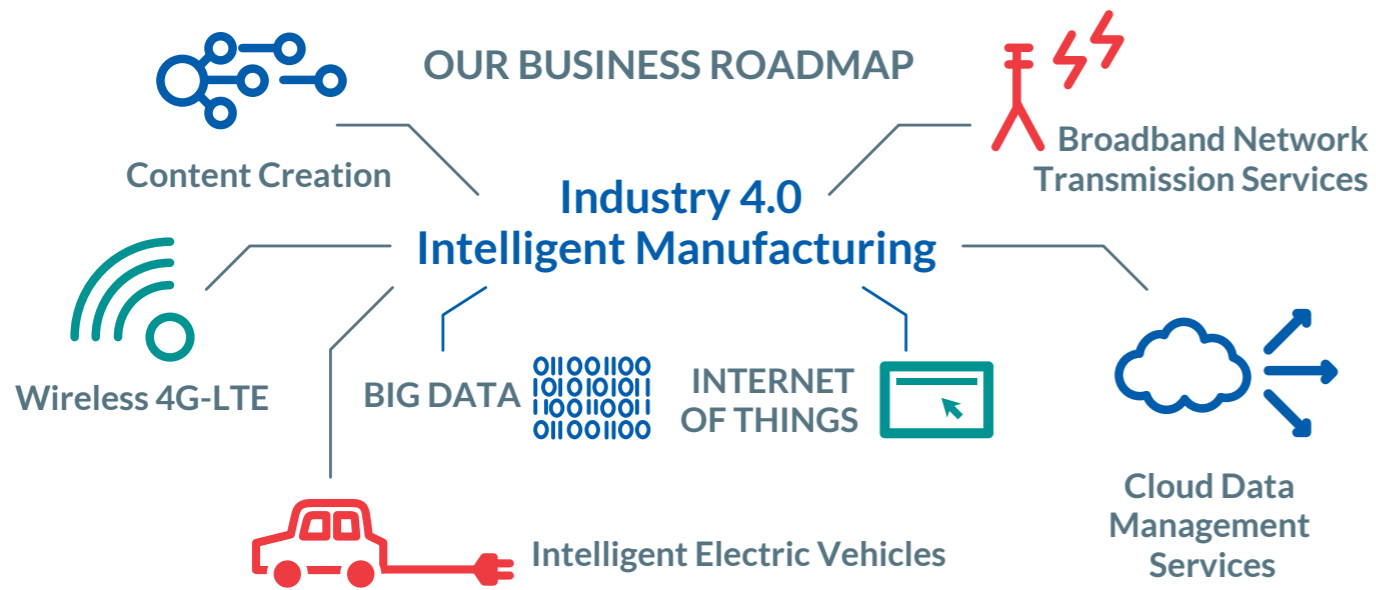
RESTRICTION ON THE USE OF CONFLICT MATERIALS

International Standards, Governmental, and Non-Governmental Rules Commitment
Due Diligence and Conflict-Free Materials Commitment
Origins of Materials



ANTI-CORRUPTION POLICY

National and International Anti-Corruption, and Anti-Bribery Laws and Regulations Commitment
Anti-Corruption CoC
Anti-Corruption Team



As the global market evolves, Foxconn is focused on investing in innovation in order to continue to achieve sustainable business growth. Foxconn will continue to combine our expertise in hardware and software to establish deeper and more comprehensive connections across the technology value-chain and ecosystem, and to optimize and leverage Big Data and opportunities generated by the Internet of Things, in order to anticipate users' needs and to improve the production process to continuously enhance how we serve our customers and consumers, and ultimately how we realize our "Industry 4.0" vision of intelligent manufacturing.

True to our promise of delivering technological products and solutions that bring convenience to people's everyday lives, we continue to focus on advancing the development of cloud computing, mobile devices, the Internet of Things, Big Data, smart networks, and intelligent living, with the help of the smart robotics and automation that are helping to enhance people's quality-of-life.

Our focus on product development goes hand-in-hand with a strong commitment to social responsibility and environmental sustainability. Our Global SER Committee has a dedicated team focused on collaboration with stakeholders to ensure the innovation, development and enforcement of measures to promote social and environmental responsibility. Sustainable product design and supply chain management are key tenets for our company's focus on ensuring environmental sustainability throughout our operations.

Supporting and enabling our employees

Our employees are our most important asset and we are fully committed to continuing to provide them with a working environment that is one of the best in our industry. Foxconn is an equal opportunity employer and we provide merit-based remuneration, and promote diversity in the workplace.

We have a total global workforce of over one million employees, including some 1,500 persons with disabilities and over 57,000 persons from minority groups. Female employees

True to our promise of delivering technological products and solutions that bring convenience to people's everyday lives.

make up 36% of our workforce. In terms of education, 76.8% of our employees are high school or technical school graduates, or hold higher educational qualifications.

Our merit-based remuneration system enables our employees to be rewarded in various ways for good performance and productivity. All campuses recruit employees that have wages for entry-level employees that are on average at least 10% higher than the local minimum wage. After completing a three-month probation period, entry-level employees receive increased wages that are at least 20% higher than the local mandated minimum wage. Additionally, Foxconn signs a collective bargaining agreement with the Labor Union every year to ensure that employee rights are protected and nearly 98% of our employees are covered by this agreement. In 2015, Foxconn made a commitment to provide a salary increment of no less than 3% to all employees who have served at least one year and who meet specific performance requirements.

In addition to wage increments, we have introduced non-monetary rewards including housing and stock options for employees with exceptional performance. Employees also enjoy company provided insurance coverage. We continue to prioritize placement of our manufacturing operations in China in provinces that are the home regions of the majority of our employees so workers can be closer to their families and friends, their traditional support networks. Foxconn also works with provincial governments to build off-campus residential accommodation for employees who choose to live in such housing and these accommodations are managed by experienced third-party property management companies.

Foxconn also facilitates skills upgrading among employees through the Foxconn University, a leading corporate university which provides employees with continuing education and training opportunities. The Foxconn University has extensive partnerships with renowned educational institutions, such as Stanford University, the University of Houston, Tsinghua University, Peking University, among others. We also cooperate with think-tanks to conduct scientific research, personnel training and technology and knowledge exchange. In addition, the Foxconn University also conducts student internships, cadre training, scholarships and many other education, training and development programs. In 2014:

- The Foxconn University offered courses in management, general education, technology, on-the-job training, industrial engineering, and degree courses, completing over 5.2 million training hours for an accumulated total of over 26 million trainees.
- 5,055 employees were enrolled in formal degree courses at the University, which has partnerships with some 56 renowned universities, and 2,478 employees graduated with degrees from the University.
- Some RMB 12 million in scholarship funds were disbursed to some 5,500 employees to support their continuing education efforts.

Foxconn takes our responsibilities as a leading manufacturer and employer very seriously. As part of this commitment, the company places a priority on ensuring the welfare of all of our over one million employees across China. In that regard, we are pleased with the significant progress that has been made throughout our

company to provide professional counseling and other support services at any time to employees who need to address any work-related or personal challenges they might be facing.

Improving healthcare and occupational safety

Foxconn also takes our responsibilities as a leading consumer electronics manufacturer very seriously. As part of this commitment, the company places a high priority on ensuring the health and safety of all our employees across all of our global operations. Subscribing to the belief that the health and wellness of employees is imperative for the company to function optimally, Foxconn supports a number of measures to provide for healthcare needs and ensure workplace safety.

Foxconn's employee health and safety policies and standards meet all relevant international and local laws and regulations, including the OHSAS 18000, an international occupational health and safety management system, and the SA8000, an auditable social certification standard for workplaces across all industrial sectors. Our record of progress in this area is very clear and the significant enhancements in our company's health and safety measures have been confirmed by the Fair Labor Association in review reports published by that NGO and in government and customer audits. In 2014, Foxconn obtained certification from the Occupational Safety and Health Administration of the Ministry of Labor in Taiwan for its record of 1.65 million "no significant operational incidents" working hours.

Foxconn provides facilities for complimentary health checks, including breast screenings, and

professional health advisory services based on health check results to employees and their immediate family members. Our company also promotes family welfare for pregnant employees with maternity and baby bonus packages, natal care support, and pilot childcare facilities and kindergarten services on campus. To ensure promptness and accuracy in managing employees' health information, Foxconn enlists Big Data technology through the h2u cloud platform to consolidate health information and provide alerts offering health notices to employees.

To achieve our goal of "100% safety at work" and "zero injuries, occupational diseases, or accidents", Foxconn has in place stringent standards for monitoring and eliminating potentially hazardous workplace practices. Constant screening and monitoring processes are also in place in the manufacturing plants, with staff training to detect and prevent any safety hazards that they may face during the course of their work. Additionally, we have a central industrial safety monitoring system based in Taipei equipped with infrared thermographic devices monitoring plant operations to minimize industrial and fire-related safety threats.

Foxconn is investing in the automation of many of the manufacturing tasks associated with our operations. Across all of our facilities, we are applying robotics engineering and other innovative manufacturing technologies to replace the more mundane and repetitive tasks previously done by employees and to enable our employees to focus on high value-added elements in the manufacturing process, such as research and development and

quality control. As our manufacturing processes and the products we produce become more technologically advanced, automation is playing an increasingly important role in our operations and we have made significant progress in meeting our automation objectives, with plans to automate many more of our manufacturing operations in the next few years.

Plant monitoring mechanisms are also involved in food preparation monitoring, which entails elaborate food sourcing controls and laboratory testing to ensure that hygiene standards are met. The Labor Union is assisting with the food safety and industrial safety monitoring processes, with reporting mechanisms in place so that employees can flag any potential concerns to relevant departments, so that they can be addressed.

Driving sustainable product design and supply chain management

Foxconn's commitment to sustainability can be seen across our entire supply chain, from our company's product design, to material sourcing and procurement measures. We have set up specialized divisions to study the environmental requirements of regulators, customers, industry and other stakeholders, including compliance with RoHS (Restriction on Hazardous Substances) and REACH (Registration, Evaluation, Authorization and Restriction of Chemicals) and restrictions on the use of conflict minerals. The results of those efforts are translated into actionable internal measures that can be integrated and applied within our operations.

Foxconn comprehensively implements and executes sustainable procurement requirements across all organizational and product group levels. In addition, the Group is committed to building a sustainable supply chain and requires suppliers to ensure that downstream suppliers fulfill all requirements in order to restrict the use of toxic and hazardous substances, encourage the deployment of carbon emission reduction solutions and other environmentally-friendly practices and solutions, and to bolster capabilities in making eco-friendly products. Foxconn monitors all aspects of the operations process via system platforms to ensure alignment with sustainability requirements.

Foxconn focuses on four key design principles to ensure sustainable supply chain management: energy efficiency, carbon reduction, eco-friendliness and recyclability. This includes ensuring sustainable product design with the use of recyclable materials wherever possible. We have put in place a systematic approach towards sustainable supply chain management through the enforcement of stringent material sourcing and supplier management standards, including setting targets for greenhouse gas reductions that must be met by suppliers.

To meet our environmental and social responsibilities, Foxconn is committed to ensuring that suppliers observe sustainable supply chain practices. As part of that process, we support them in the implementation of such practices throughout the value-chain, from product sourcing to risk management and auditing. Foxconn requires suppliers to fulfill their social and environmental responsibilities and implement sustainability practices, in addition

to adhering to the Supplier Code of Conduct. All suppliers are required to have in place a sustainable and hazardous materials and product management system that is certified by a third-party to systematically enhance capabilities in green and sustainable product management.

As the world's largest electronic manufacturing services (EMS) provider, Foxconn is committed to complying with environmental laws and regulations and welcomes audits by third-parties to ensure that we continuously meet our environmental and social responsibilities including promoting supply chain sustainability. We conduct regular audits of our suppliers, working closely with our supply chain partners to address any potential non-conformances and to promote international best practices by establishing benchmarks and creating platforms for the sharing of experience and expertise with suppliers in areas such as occupational health and safety, carbon reduction and energy efficiency, among others.

In our effort to facilitate transparency and benchmarking of environmental protection standards, Foxconn collaborates with the Institute of Public and Environmental Affairs (IPE) in China to publish self-monitoring environmental data. Foxconn's efforts to promote a sustainable supply chain have been recognized by the IPE, which ranked Foxconn in the ninth position among 36 global information technology brands included in the 2014 Green Supply Chain Corporate Information Transparency Index (CITI).

Protecting the environment

Foxconn is committed to driving the application of green technologies and improving all aspects of manufacturing while also achieving sustainable

growth. We actively contribute to the efforts of the global IT industry in working together to realize the common objectives of enhancing environmental protection, boosting energy efficiency and savings, sustaining a healthy ecosystem, while building a new eco-culture through innovation and new technologies.

Environmental sustainability is a top priority for Foxconn and we have put in place a systematic approach towards integrating green and sustainable practices in our operations, implementing measures in the areas of environmentally-friendly product design, carbon emission

We have succeeded in leveraging technology to enhance all aspects of manufacturing, and we are focusing our investments in areas that link technology with sustainable economic growth in a way that also protects the environment.

reduction, process management, energy and resource management, and supply chain management to minimize the negative impact of our operations on the environment.

We respect the environment and we accept our responsibility to work and co-exist with the world in which we live. We have succeeded in leveraging technology to enhance all aspects of manufacturing, and we are focusing our investments in areas that link technology with sustainable economic growth in a way that also protects the environment. Foxconn has invested significantly in green manufacturing and is committed to championing a new global eco-culture by applying

innovative technologies to efforts to uphold the highest standards in green technologies, energy efficiency and environmental protection.

Foxconn administers environmental measures in all aspects of our business, from product and plant building design to energy efficiency and waste management. The company operates in strict adherence to international standards on energy efficiency, waste management and other environmental protection measures. Our 16 subsidiaries successfully attained the ISO50001 standard certification for energy management in 2014.

In accordance with the requirements of the Chinese government's 12th Five Year Plan on the reduction of carbon dioxide emissions, Foxconn has set a carbon dioxide reduction target of 24.5%, based on the company's 2015 carbon dioxide emissions per unit of output compared to the average in 2010. Foxconn's carbon dioxide emissions reduction is successfully meeting its target as its output in 2014 was 79.2 kilograms of carbon dioxide per RMB 10,000, which translates to a 28.5% decrease against the average in 2010. In 2014, the company invested RMB 105 million in upgrading environmental protection facilities in its manufacturing plants, enhancing

processing capacity for overall waste and gas emissions. The company's efforts have allowed it to steadily reduce carbon emissions at an average annual rate of 8.02% from 2010 to 2014.

Foxconn also references and participates in global initiatives such as the Carbon Disclosure Project as part of our commitment to contribute to sustainable business development and to galvanizing greater industry action in addressing environmental risks and important issues like climate change.

At the same time, Foxconn invests significantly in a variety of energy-efficiency technologies. In 2014, Foxconn invested RMB 208 million in this area, initiating over 1,100 new energy-efficiency projects. Foxconn's investments have resulted in a total of 548 million kWh saved, which translates to energy savings of 6.8%, and around RMB 410 million in savings.

Our fourth-generation industrial park in Guizhou, China, which began operations in July 2014, is a model for Foxconn's vision for green manufacturing. In addition to developing and applying the latest green manufacturing technologies throughout the campus, the design and layout of the buildings in the park also take into consideration the natural terrain and environment in which they are situated. In particular, the data center is sited in a valley and utilizes wind drafts from the hilly terrain to cool the equipment, reducing energy consumption from air-conditioning. The facility also features roof insulation design, waste management treatment on-site, green technology to reduce pollution, and rainwater harvesting systems for optimizing water usage and to cool equipment. We actively incorporated plants and natural features in the

design of the facility to maximize their natural functions of air purification and natural lighting which in turn enhances the sustainability of the facility.

Contributing to the local community

Foxconn embraces a culture of sharing, contributing and giving back to the community and we actively participate in social and community-based programs, including sponsoring and hosting philanthropic activities and volunteer programs. As a responsible corporate citizen, we are committed to doing our part to create a caring environment, promote care and respect for the disadvantaged, drive charitable programs, and contribute to the bridging of the education gap between those living in urban and rural areas. Foxconn encourages all employees to join our company in actively contributing or volunteering to support social causes as part of our corporate culture to sponsor and support philanthropic activities.

A charity carnival was held in 2014 to raise funds for selected charities, including the Children Are Us Foundation, the Taiwan Fund of Children and Families, the Garden of Hope Foundation, and Joyce-Agape Association, and the event was widely attended by all levels of Foxconn staff. Through the YongLin Foundation, a charity organization set up by Foxconn CEO, Terry Gou, employees participate in philanthropic activities such as teaching students living in rural areas, food distribution to underprivileged communities and other similar activities.

Foxconn also facilitates teacher training in academic institutions in the rural areas, and supports

educational institutions such as the Taichung Girls' High School and the Hsinchu Science Park High School in Taiwan, contributing software and technological equipment to facilitate experimental and innovative education in these institutions.

Following a gas explosion in the city of Kaohsiung in August 2014, Mr. Gou immediately donated TWD 10 million to support disaster relief efforts as well as TWD 1 million to each victim's family to assist them during that very difficult period. While the tragic incident had nothing to do with Foxconn, as a corporate citizen committed to helping the local community, Foxconn also assisted in the rescue efforts in the Kaohsiung area, providing 5,000 portable power sources to rescue workers and those affected by the incident, and donating televisions to relief shelters in order to help victims stay updated on news and developments on the relief efforts. In addition, the YongLin Charity Foundation and Asia Pacific Telecom set up service stations to provide complimentary telephone services, SIM cards, drinking water, and other services. Foxconn fully mobilized available resources and capabilities to assist in the reconstruction work of the Kaohsiung area, providing support and assistance to those affected by the incident.

Mr. Gou also did his part for fundraising for Amyotrophic Lateral Sclerosis, taking on the "Ice Bucket Challenge" and donating USD200,000 to the Taiwan Amyotrophic Lateral Sclerosis Association.

CORPORATE PROFILE

We are leveraging opportunities presented by the Internet of Things and Big Data to deliver innovative, efficient, flexible, integrated and sustainable services and solutions for our customers and consumers

Global Footprint and Sustainable Business Development

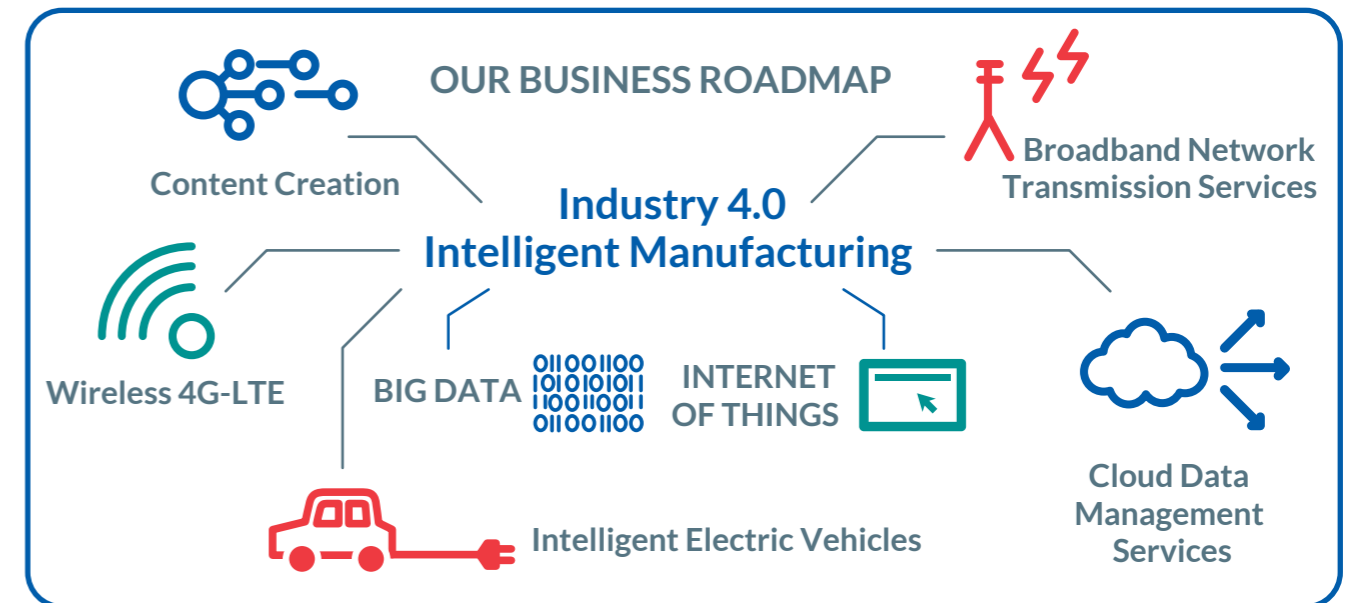
2014 Revenue **TWD4.21 trillion**
(USD139 billion)

2014 Fortune Global 500: **Number 32**

More than **200** subsidiaries and branch offices in **Asia**, the **Americas** and **Europe**



Business Roadmap & Blueprint



Commitment to SER

Seven Values in our Code of Conduct:



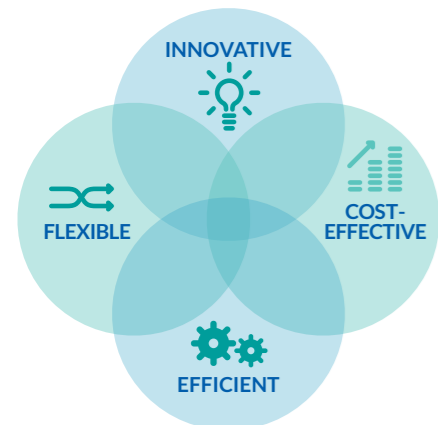
Company Overview

Company name
Foxconn Technology Group "FOXCONN"
Founded February 20, 1974
Parent Company
Hon Hai Precision Industry Co., Ltd. (Ticker Code 2317.TW)
Headquarters
No. 2 Tsu-yu Street, Tucheng District, New Taipei City
Number of employees 1.061 million (as of December 31, 2014)
Revenue in 2014 NT \$ 4.21 trillion with a year-on-year increase of 6.6%



Foxconn Technology Group, the global leader in manufacturing services for the computing, communication and consumer electronics (3C) industry, offers competitive manufacturing technology and solutions to continuously serve our customers, employees and other stakeholders around the world.

Information processing technology is a cornerstone of Foxconn's sustainable business strategy. Foxconn adopts an industry-leading e-enabled Components, Modules, Moves and Services (eCMMS) business model that enables our company to deliver innovative, efficient, cost-effective, and flexible one-stop integrated service solutions for leading electronics product companies operating throughout the global 3C industry. In addition, to deliver on our



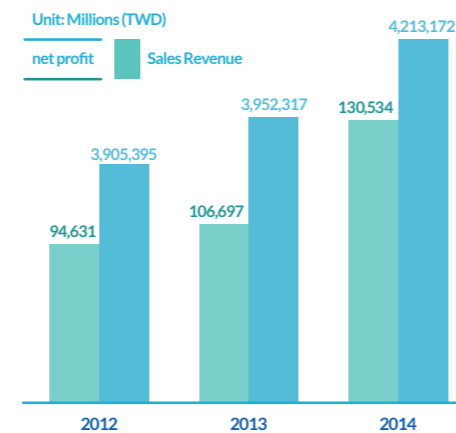
strategic business blueprint, Foxconn is seizing the immense opportunities presented in the new Internet of Things and Big Data era to ensure that our company remains at the core of the ICT ecosystem, driving synergy and opportunities across the industry value-chain, from hardware to services and other technology solutions.

Our business roadmap will guide Foxconn's horizontal expansion and integration of key growth sectors, which will see our company augmenting our existing IIDM-SM (integration-innovation-design-manufacturing and sales-marketing) base. We are also expanding into content creation, cloud data management services – such as software, platform and infrastructure as-a-service – wireless 4G-LTE, broadband network transmission services, and intelligent electric vehicles, as well as continuously investing in the research and development (R&D) and application of green manufacturing technologies.

Since the Group's establishment in Taiwan in 1974 and our initial investment in China in 1988, Foxconn has expanded rapidly to become the

world's largest EMS provider. Foxconn has a workforce of over one million employees, and our customers include many of the world's major electronics and information technology companies. In 2014, Foxconn's manufacturing accounted for 3.5 percent of China's total imports and exports. In addition, Foxconn is ranked number 32 on the 2014 Fortune Magazine Global 500, a ranking of the top 500 global companies by revenue.

Revenue over the past 3 years



Global Footprint



Foxconn continuously invests in enhancing our capabilities in R&D, design and engineering services. With China as the center of the Group's business and development, Foxconn has continued to grow our significant footprint to countries across the globe. Our international operations and global expansion are guided by our strategy of having two R&D clusters in Greater China and the United States, three design and manufacturing zones across Asia, the Americas and Europe, and operations that enable worldwide assembly and delivery to our customers globally. To date, Foxconn has more than 200 subsidiaries and branch offices in Asia, the Americas, and Europe.

More than 200 subsidiaries and branch offices in Asia, the Americas and Europe.

Global Strategy

- R&D in China & U.S.A.
- Manufacturing across 3 continents
- Global assembly

Patent Applications

Foxconn is committed to investing in research and innovation and, as a major patent owner and business partner of other global patent owners, is a fierce protector of the innovation and intellectual property rights of companies around the world.

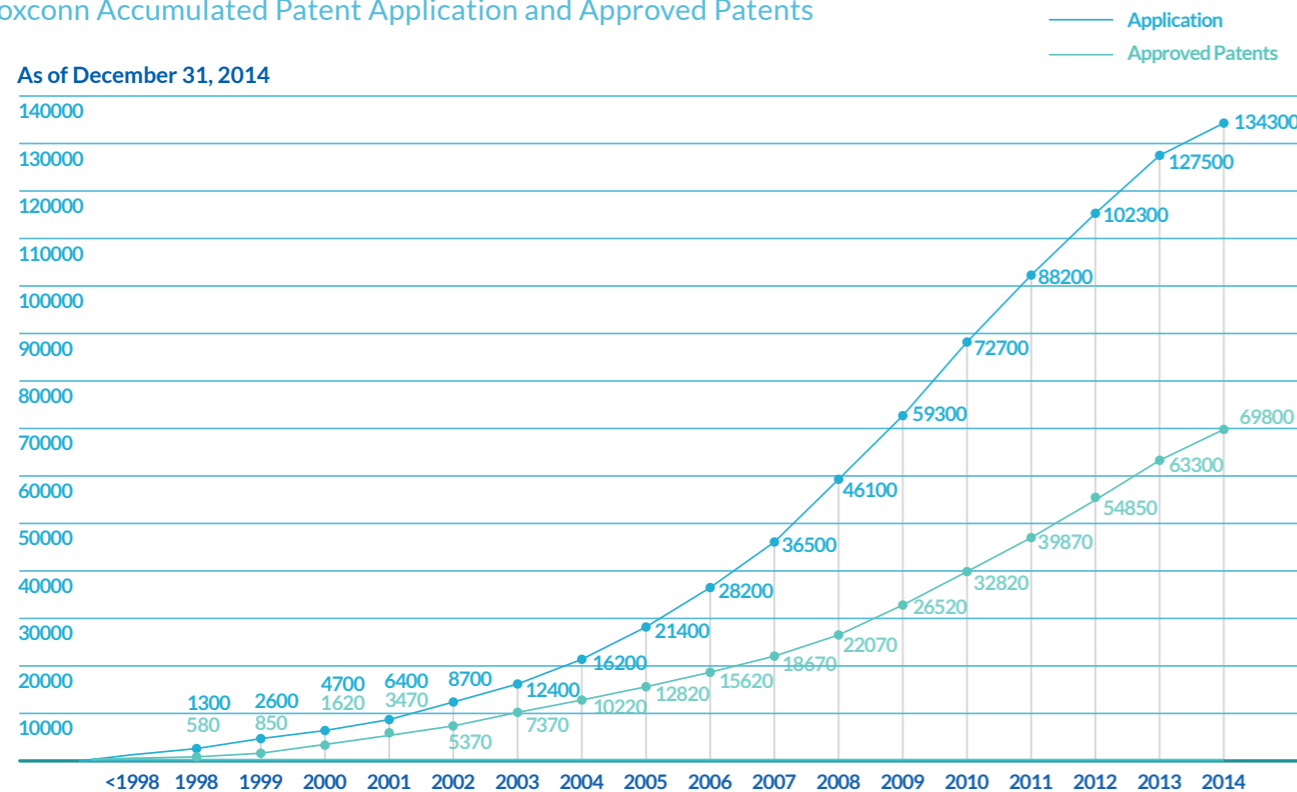
Foxconn has established professional R&D and patent development network and innovative patent management platforms in Asia, the Americas, and Europe, with effective technological integration across regions. These efforts have proven to be successful as evidenced by our company's growth in many areas, such as nanotechnology, heat transfer technology, nano-measurement technology, Wi-Fi, green technology, CAD / CAE technology, optical coating technology, ultra-precision cutting, nano-processing technology, SMT technology, chip design technology, cloud computing services and e-Supply Chain technology.

Foxconn has established professional R&D and patent development network and innovative patent management platforms in Asia, the Americas, and Europe, with effective technological integration across regions.

As of the end of 2014, Foxconn had submitted 134,300 patent applications (49,700 in China), of which 69,800 have been granted (25,400 in China). Foxconn has been listed among the top five companies in total number of patent applications in China for nine consecutive years, and we have also been the top company in domestic patent applications in Taiwan for the past 12 years. From 2006 to 2014, Foxconn had the largest number of patents granted by the U.S.

Patent and Trademark Office amongst Chinese companies. In addition, Foxconn was ranked number 1 in the field of Electronics and Instruments by leading international patent analytics and research institution, iplQ, for nine consecutive years. According to the IFI Claims® Patent Services in the US, in 2014, Foxconn was granted 1,537 patents and was ranked number 18 globally amongst other technology, auto and imaging companies in total number of patents granted.

Foxconn Accumulated Patent Application and Approved Patents



Technology Responsibility

Our operations and business practices focus on creating and maintaining a harmonious technological environment through innovation and growth. Foxconn's business strategy of "industry + technology + e-commerce" ensures that we develop and integrate a channel focus into our operations. To deliver on this strategy, Foxconn will continue to undertake a holistic and systematic alignment of our design, production, sales and after-sales service systems and processes - from the upstream core components to the downstream sales channels to support greater value-add across our 3C business chains.

Foxconn's business strategy of "industry + technology + e-commerce"



ensures that we develop and integrate a channel focus into our operations.

Future Prospects

Foxconn's vision has always been to provide technological products and solutions that bring convenience to people's everyday lives.

As a leader in all areas of information processing, Foxconn's current technology development framework covers the entire spectrum of "11 screens, 3 networks and 2 clouds". By this we mean that the end-products and devices Foxconn provides cover a wide range of 11 screens, ranked from screens that are held at the nearest to end-users to screens displayed at the furthest, including wearable, smartphone, tablet, notebook, desktop computing, portable TV, digital whiteboard, digital signage, electric vehicle, and robots. The network products and solutions we offer are widely applied in the three realms of Internet, Internet of Things and Smart Grid. We also enable our customers to tap opportunities that extend beyond cloud computing to the

edges of the network in what is now called "fog computing". Collectively, the "11 screens, 3 networks and 2 clouds" spectrum represent the comprehensive portfolio of system solutions that Foxconn offers.

Foxconn will continue to build on the fundamentals of our business and our IIDM-SM (integration-innovation-design-manufacturing and sales-marketing) base, while investing in content creation, cloud computing and data management services, wireless 4G-LTE, broadband network services, and e-commerce.

True to our vision of enhancing people's lives, Foxconn will endeavor to provide solutions, products and services, and drive strong synergy within the ICT ecosystem. That will support our goal of helping people leverage technology in eight key areas of their lives: work, education, safety and security, healthcare, e-commerce or e-money, and green transportation. Technology has made, and will continue to make all of these areas easier, faster and smarter.

With 5G technology becoming a reality, the potential for greater innovation and the development of business opportunities are limitless.

Foxconn will continue to combine our expertise in hardware and software to establish deeper and more comprehensive connections across the technology value-chain and ecosystem, and optimize and leverage Big Data generated by the Internet of Things, in order to anticipate users' needs and improve our production processes to continuously enhance how we serve our customers and consumers, and ultimately realize our "Industry 4.0" vision of intelligent manufacturing.

Against the backdrop of a dynamic industrialization landscape and changing population needs, Foxconn will focus on advancing the development of cloud computing, mobile devices, Internet of Things, Big Data, smart networks, and intelligent living, with the help of smart robotics and the automation technologies that are becoming increasingly prevalent, to enhance people's quality-of-life.

Corporate Management

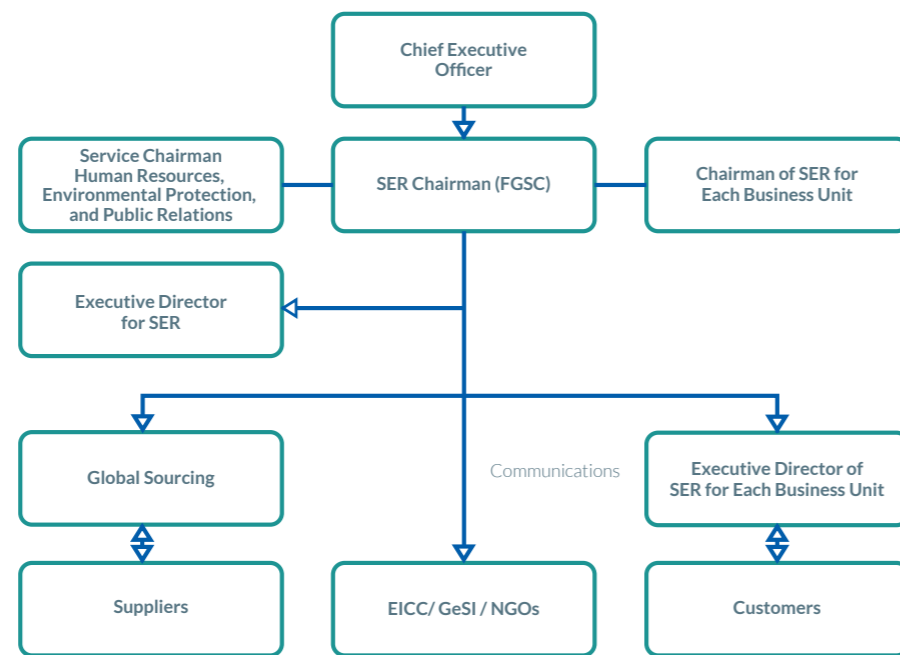
Corporate Organization and Board of Directors

Foxconn's Board of Directors comprises members responsible for our company's corporate governance. In addition to safeguarding shareholders' interests, the Board adheres to the guiding principles of collaboration and partnership with Foxconn's employees, customers, suppliers, local communities, and government agencies. General Managers are responsible for executing strategic directions from the Board to ensure smooth and efficient business operations. Board members receive no compensation for serving on the Board and they recuse themselves in the event of any conflict of interest. Board members derive compensation from bonuses that are in direct proportion to Foxconn's performance. Hon Hai Precision Industry Co., Ltd. is the largest listed company in the Group, with two independent directors and two statutory auditors on the Board. Terry Gou is the Chairman of the Board and also CEO of the Group. Foxconn's operations are privately funded, with no financial assistance received from any government.

Foxconn Global Social and Environmental Responsibility Committee

Since March 2005, Foxconn has been a member of the EICC to promote SER within the industry. In March 2007, Foxconn established the Global SER Committee with Jacob Chen appointed as the Chairman of the Committee. The SER teams of the various business groups were set up to fulfill the implementation of the SER policy and are monitored

by the FGSC. Each year, the FGSC conducts evaluations and audits amongst the various business groups. This is to ensure that the SER policy is integrated and implemented fully across Foxconn's operations and at every manufacturing facility. As of 2013, Foxconn had established a team of more than 1,000 SER professionals to work with customers, government agencies, and the community to fully carry out Foxconn's SER duties and responsibilities.



As a member of the EICC, Foxconn abides by the EICC's code of conduct and is committed to adopting and promoting SER policies and practices throughout our operations. As part of this commitment, Foxconn also conducts regular audits of suppliers to ensure that suppliers comply with all relevant policies and codes of conduct.



Foxconn has established a team of more than 1,000 SER professionals to work with customers, government agencies, and the community to fully carry out Foxconn's SER duties and responsibilities.

Foxconn's Code of Conduct

Foxconn emphasizes justice, honesty and integrity in all business activities. The Group also adheres to the principles of fair competition and we have implemented this throughout our operations. As an EICC member, Foxconn actively participates in EICC activities with our partners and suppliers in the information technology industry. In June 2008, Foxconn published the first version of Foxconn's CoC. In 2015, Foxconn initiated the third revision of its CoC, requiring all business groups to ensure that all aspects of our operations are in strict compliance with the updated CoC. In addition, CoC education and training is mandatory for all new employees, and all employees receive training and are required to abide by the 2015 CoC.

Foxconn's Code of Conduct encompasses seven major areas: code of ethics, employee and human rights, health and safety, environment, management system, restriction on the use of conflict minerals, and anti-corruption.

ETHICS

- Business Integrity
- Disclosure of Information
- No Improper Advantage
- Fair Business, Advertising and Competition
- Maintenance of Confidentiality and Anonymity
- Community Engagement
- Protection of Intellectual Property
- Protection of Privacy
- Non-Retaliation

LABOR AND HUMAN RIGHTS

- Freely Chosen Employment
- Child Labor Prohibition and Young

- Workers Protection
- Protection of Maternity Rights and Health of Female Workers
- Non-Discrimination
- Fair and Humane Treatment
- Wages and Benefits
- Working Hours
- Freedom of Association

HEALTH AND SAFETY

- Machine Safety
- Industrial Hygiene
- Occupational Safety
- Emergency Preparedness and Response
- Occupational Injury and Illness
- Ergonomics
- Dormitory and Canteen
- Health and Safety Communication

ENVIRONMENT

- Product Content Restrictions
- Chemicals and Hazardous Materials
- Wastewater and Solid Waste
- Air Emissions
- Environmental Permits and Reporting
- Pollution Prevention and Resource Reduction
- Storm Water Management
- Energy Consumption and Greenhouse Gas Emissions

MANAGEMENT SYSTEM

- Company Commitment
- Management Accountability and Responsibility
- Legal and Customer Requirements
- Risk Assessment and Risk Management
- Performance Objectives, Implementation Plan and Measures
- Training
- Communication
- Worker Feedback and Participation

- Audits and Assessments
- Corrective Action Process
- Documentation and Records
- Supplier Responsibility

RESTRICTION ON THE USE OF CONFLICT MINERALS

Foxconn hereby pledges its commitment to adhere to international standards and governmental and non-governmental rules on conflict minerals. Foxconn does not accept and does not use conflict minerals originating from the Democratic Republic of the Congo or any other country supplying conflict minerals. Foxconn requires suppliers to trace the origin of all products potentially containing conflict minerals, including gold (Au), tantalum (Ta), tin (Sn) and tungsten (W), and to provide relevant information sources to Foxconn. In addition, Foxconn's downstream suppliers are required to fulfill their due diligence on conflict-free minerals pursuant to the relevant international standards and regulations.

ANTI-CORRUPTION POLICY

Foxconn upholds a corporate culture of integrity and management with dignity. Foxconn is committed to full compliance with national and international anticorruption and antibribery laws and regulations. In 2013, Foxconn published our "Anti-Corruption Code of Conduct", which describes the types of conduct that are strictly prohibited and clearly informs all employees that they are required to abide by the Code of Conduct. In addition, an anti-corruption team investigates any allegations of improper conduct.

Stakeholder Communications

Foxconn communicates and engages with our employees, customers, suppliers, the community, investors, and non-governmental organizations across a variety of platforms to ensure that we continue to meet our social and environmental responsibilities. This enables Foxconn to engage with different stakeholder groups to understand their expectations of the Group and to work together to achieve our SER objectives. The following chart illustrates how Foxconn communicates with our stakeholders on key matters related to SER issues:



Stakeholders	Criteria	Communication Channels and Frequency	Focused Issues	Efforts and Outcomes
EMPLOYEES	All employees are treated equally and fairly	Communications include: employee hotline, forums, feedback boxes, satisfaction surveys, and counseling. Other programs include employee assistance	Working environment Living environment Labor relations Physical and mental health	We ensure that employees have avenues to share their views and provide their feedback in order to provide a positive work environment and to enhance their sense of belonging. In addition to providing communication channels, Foxconn has established employee assistance and support systems and programs such as a 24-hour hotline and on-campus counseling services to help employees deal with personal and work-related challenges and to support their health and mental well-being.
CUSTOMERS	Respect for customers' needs	SER quarterly and annual conferences. Customer visits and audits, telephone conferences, quarterly and annual audits.	Code of Conduct implementation, based on EICC requirements, suppliers and their downstream suppliers Audits and inspections on suppliers Green products Inspections on use of conflict minerals Greenhouse gas emission reduction	Foxconn maintains effective communication with customers, facilitates their on-site inspections, and is prepared to brief them on the status of SER compliance of our company and related suppliers. Our goal is to provide customers with high-quality, innovative technology and services that are efficient and provide flexibility, as well as peace of mind knowing that Foxconn has rigorous efforts to reduce carbon emissions in the manufacturing process.
SUPPLIERS	Numerous suppliers with an 80/20 guideline to determine priorities	Annual suppliers' meeting SER audits	Suppliers' CoC and standards Legal compliance	Foxconn provides guidance and a system where suppliers are able to meet Foxconn's standards in SER compliance by conducting an annual suppliers' meeting and unscheduled SER audits, as well as by setting up an online learning platform on our SER website for suppliers to familiarize themselves with and to understand EICC requirements and Foxconn's standards.
COMMUNITY	Local communities in cities where Foxconn has operations	Monthly, quarterly, and annual activities	Environmental protection, healthy lifestyle, juvenile education, and assistance for the underprivileged	Each of Foxconn's local teams across all of our facilities is committed to fulfilling our environmental goal of "energy saving, emission reduction, going green, and recycling" and employees are required to do their part in protecting the environment. Foxconn encourages the recruitment of the physically impaired and promotes education for youth, particularly among underprivileged groups, through our work in building "Foxconn Hope Primary Schools" and through donations to charitable causes.
INVESTORS	Investors worldwide, including entities, institutional groups and individuals	Company outlook, revenues, and SER compliance updates	Updates on monthly report and quarterly financial statement One-on-one investor meetings Telephone conference Annual general meeting (AGM) for shareholders	Foxconn maintains open and transparent communications with investors and shareholders, engaging with them on an ongoing basis and at our AGM, investor conferences and roadshows. Our Group's Annual Report and SER Report are available online for investors' review.
NGOs	Regular communication with NGOs on key issues Communicate regularly with selected professional NGOs.	Telephone conferences and meetings Annual SER activities.	Green products Environmental protection Employee care	Foxconn representatives attend SER forums and conferences with NGOs to discuss SER topics. We also participate in NGO and SER activities, such as community development programs (CDP), and we collaborate with NGOs in promoting specific environmental projects (such as RoHS, HF, etc.).

EMPLOYEES

In 2014, we focused on continuing education and skills enhancement to move employees up the value chain

Competitive Wages and Benefits



98% of employees covered by **Collective Bargaining Agreement with Labor Union**



A minimum of **3% raise** in 2015 for employees who have served one year and met **performance goals**

Continuing Education and Training: Foxconn University



5.2 million training hours

in management, general education, technology, on-the-job training, industrial engineering, and degree courses



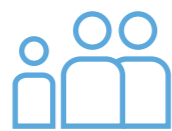
TWD59.8 million (USD 1.9 million) in scholarship funds disbursed to some 5,500 employees to support their continuing education efforts



5,055 employees enrolled in degree courses
2,478 employees graduated

Family Incentives and Financial Support for Employees

(USD 844,077)
TWD26,025,067 for family assistance funds



(USD 79,094)
TWD2,438,681 for victims of natural disasters



(USD 798,796)
TWD24,628,934 in relief funds for employees requiring financial assistance



(USD 733,878)
TWD22,627,370 for hospital assistance funds



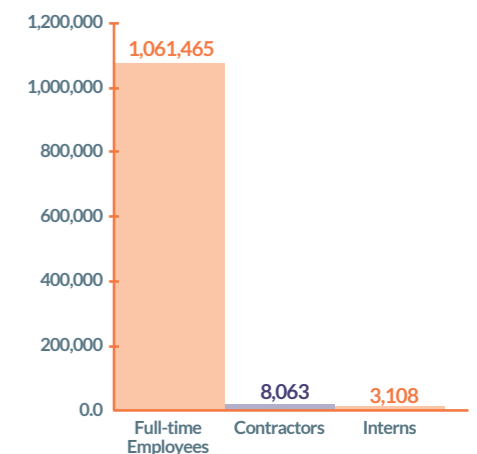
Overview

Foxconn abides by the United Nations' Declaration of Human Rights, EICC standards and local laws and regulations on the protection of the rights and interests of all employees. Foxconn is an equal opportunity employer, and our employment policies require that recruitment, promotion, wages, training opportunities, and retirement must be people-oriented, non-discriminatory, lawful, and fair, without discrimination based on gender, age, nationality, religion, political affiliation, birthplace, nation of origin, language, disability, gender identity or union membership. Foxconn treats all employees equally and fairly, and evaluates employee performance based on merit and ability. It also provides opportunities for meritocratic promotion and compensation, as well as providing on-the-job training for all employees.

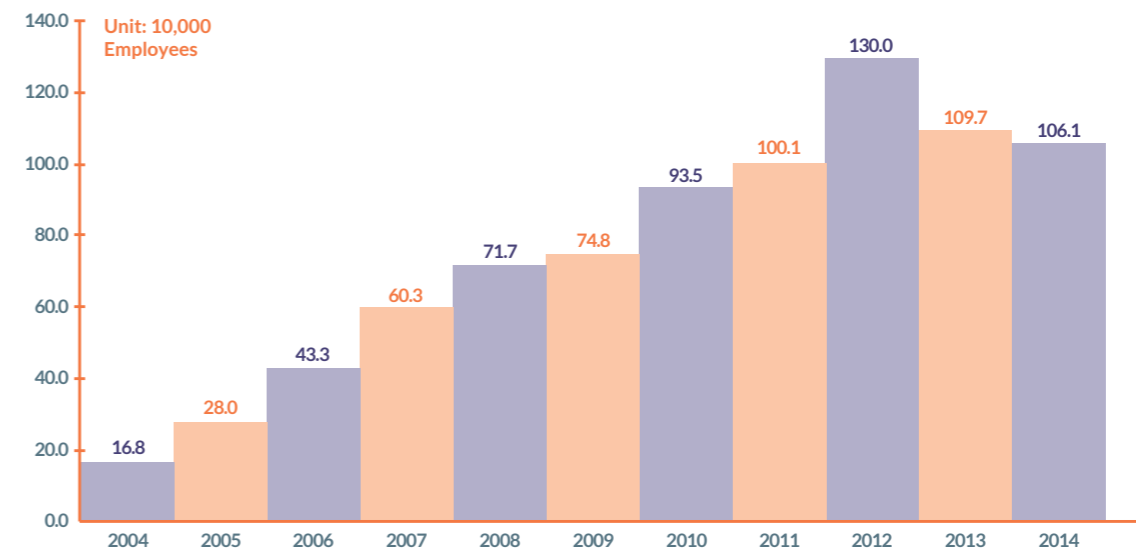
Foxconn recruits employees through social and educational institutions using an unbiased screening process while maintaining respect for the human rights of applicants and the need for diversity in the workforce. Foxconn prohibits the employment of underaged workers and forced labor. As of December 31, 2014, Foxconn has a workforce of 1.06 million employees including nearly 1,500 persons with disabilities and 57,165 persons coming from minority groups. Foxconn endeavors to provide employment opportunities to the local workforce in each country where we operate and we strive to achieve a high employee localization rate.

99% of Foxconn's employees are in job positions that are lawfully recognized as formal positions, which are also known as full-time employees. Foxconn also hires contractors and part-time employees

based on our business needs. In addition, as part of our commitment to support greater collaboration between the private and education sectors and to provide practical working experience to students prior to their graduation, Foxconn carries out a limited number of short-term internship programs in partnership with designated educational and training institutions.

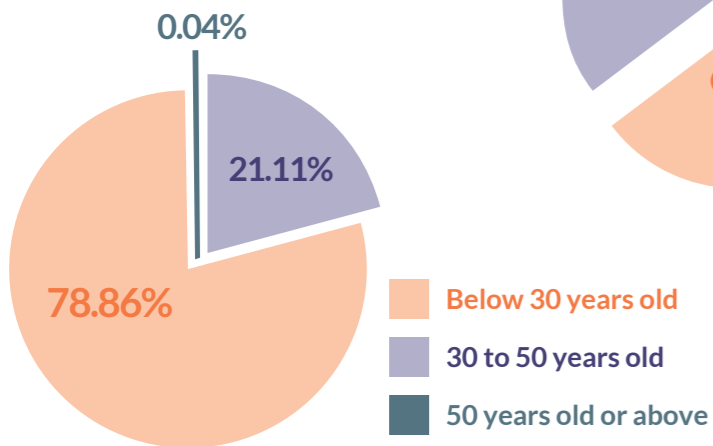


Number of Global Employees

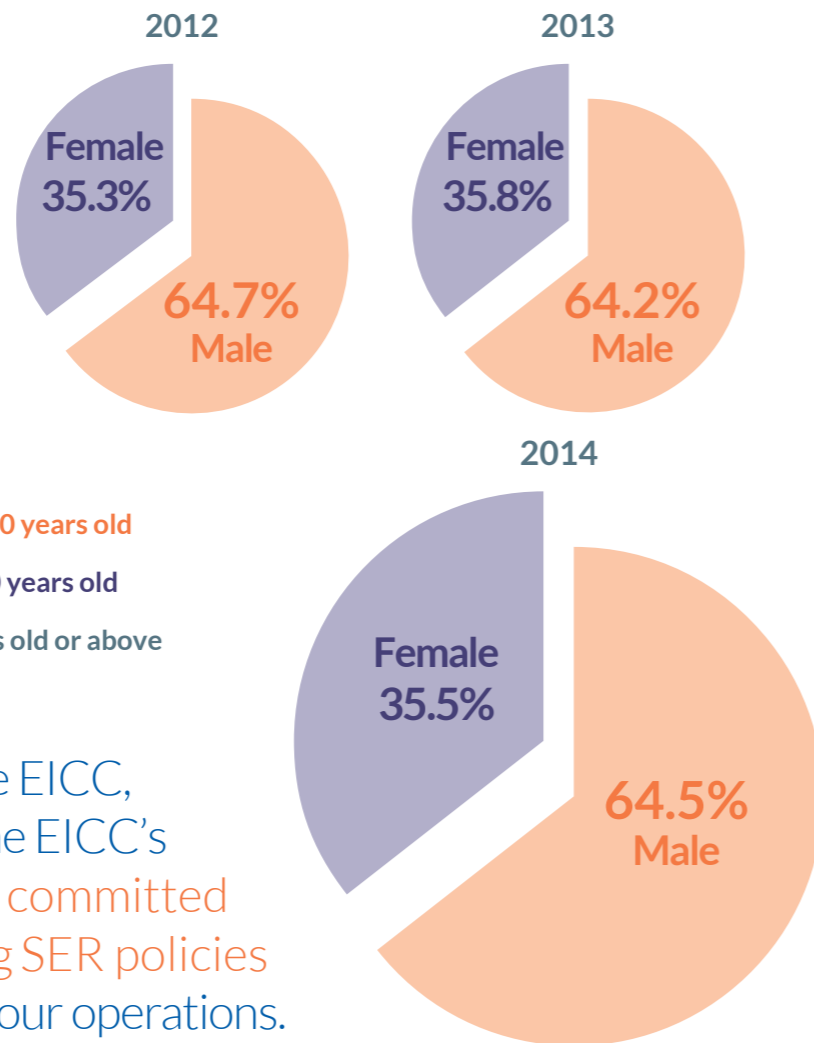


Foxconn has a relatively young workforce with 80% of our employees being under the age of 30. The following chart illustrates a breakdown of the employee population by age:

Age Distribution of Employees in 2014



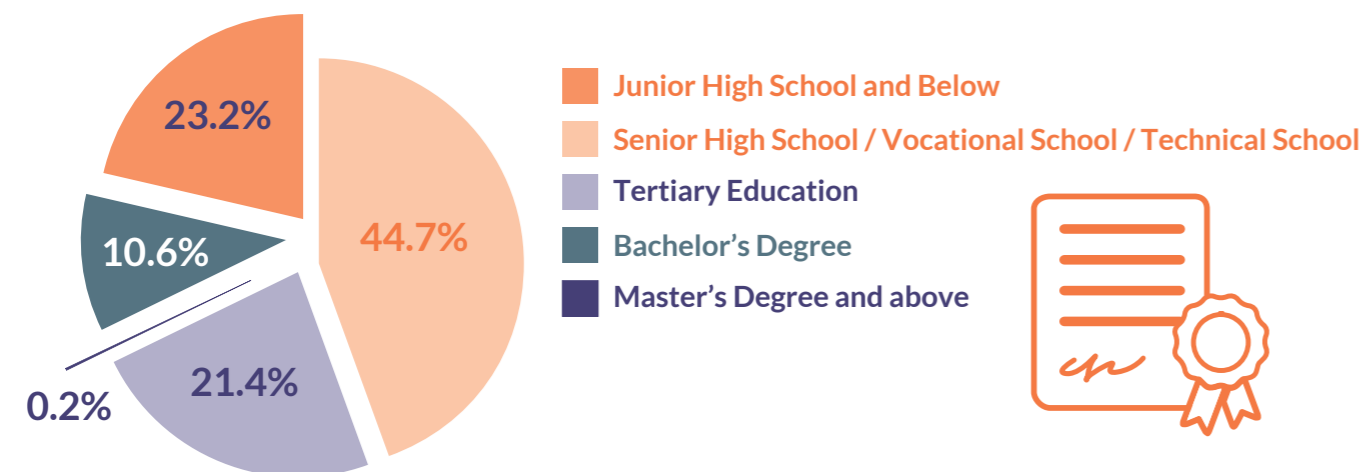
The gender ratio of employees has remained consistent over the past three years, with male employees making up around 64% of our workforce, and female employees making up approximately 36%, as shown below:



As a member of the EICC, Foxconn abides by the EICC's code of conduct and is committed to adopting and promoting SER policies and practices throughout our operations.

In terms of education, 76.8% of the employees are high school or technical school graduates, or higher:

Educational Attainment Distribution of Employees in 2014



Wages and Benefits

Foxconn provides remuneration to all employees based on merit. Foxconn treats and evaluates all employees fairly based on their ability when determining promotions and wage increments. Each campus has recruited employees at wages that are at least 10% higher than the local minimum wage. After completing three-month probation period, employees receive increased wages that are at least 20% higher than the local minimum wage. Additionally, Foxconn signs a collective bargaining agreement with the Labor Union every year to ensure that employee rights are protected, with nearly 98% of employees being covered by this agreement. On January 9, 2015, Foxconn signed an agreement with the Labor Union stipulating the following commitment: In 2015, employees who have served at least one year and who meet performance requirements will receive a raise in wages of no less than 3%.

In addition, to encourage employee retention, Foxconn has implemented annual bonuses, time-based incentives, and other incentive programs. Employees also receive monetary gifts for traditional holidays, such as the Mid-Autumn Festival and the Dragon Boat Festival. Employees are also rewarded for their productivity, and those with outstanding performance may be rewarded with stock and housing incentives. In campuses in Mainland China, employees are entitled to maternity leave and paternity leave and may resume work after the designated leave period. In Taiwan,

employees are also entitled to family incentives such as maternity healthcare advice, subsidies and nutritional supplements for maternity care.

Being a people-oriented company, Foxconn considers employees as our most important asset. Foxconn provides favorable terms, assurances and benefits to employees in their employment contracts:

- Foxconn separately invests in employee insurance, providing support to employees in times

of emergency, such as accidents, hospitalization, outpatient or emergency medical fees. The group insurance benefits for employees in China cover, for example, both personal and work-related situations and allow employees to claim reimbursement using the social security card provided by the company at designated hospitals. All employees are eligible for group insurance benefits. In 2014, Foxconn provided assistance to a number of employees, with a disbursement sum of RMB 47,380,000.

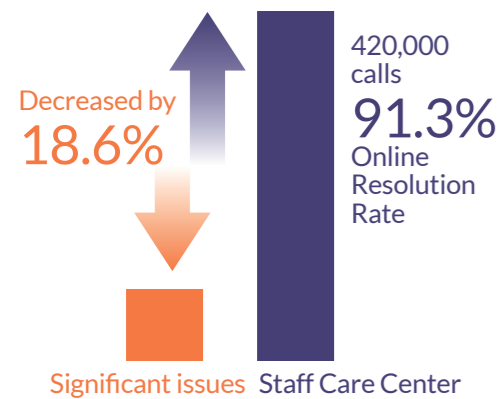
Foxconn signs a collective bargaining agreement with the Labor Union every year to ensure that employee rights are protected, with nearly 98% of employees being covered by this agreement.

The distribution of Foxconn's employee assistance funds in 2014 was as follows:

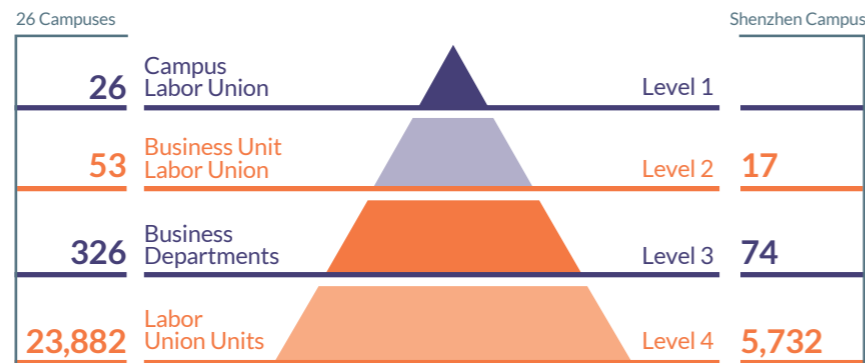
Type of Assistance Funds	Sum of Funds Distributed Each Time (RMB)	Total Sum of Assistance Funds Distribution (RMB)
Relief funds for employees who require financial assistance	6,000-20,000	4,938,550
Employee family assistance funds	3,000-15,000	5,218,500
Assistance funds for hospitalization	300	4,537,200
Assistance funds for victims of natural disasters	2,000-20,000	489,000

Communications and Employee Rights Protection

The Foxconn Labor Union (hereinafter referred to as the Labor Union) was established in 2007. Foxconn also established 26 union campuses, 53 business group unions, 326 business department unions and 23,882 trade union groups in recent years, covering four levels of employee unions. A pilot program for union leadership elections has been implemented to improve union representation, and candidates can participate in the election on a voluntary basis. The three committees of the unions, as well as the Chairman, Vice Chairman and Auditing Director, are selected directly by employee representatives.



Four Levels of Labor Union Network



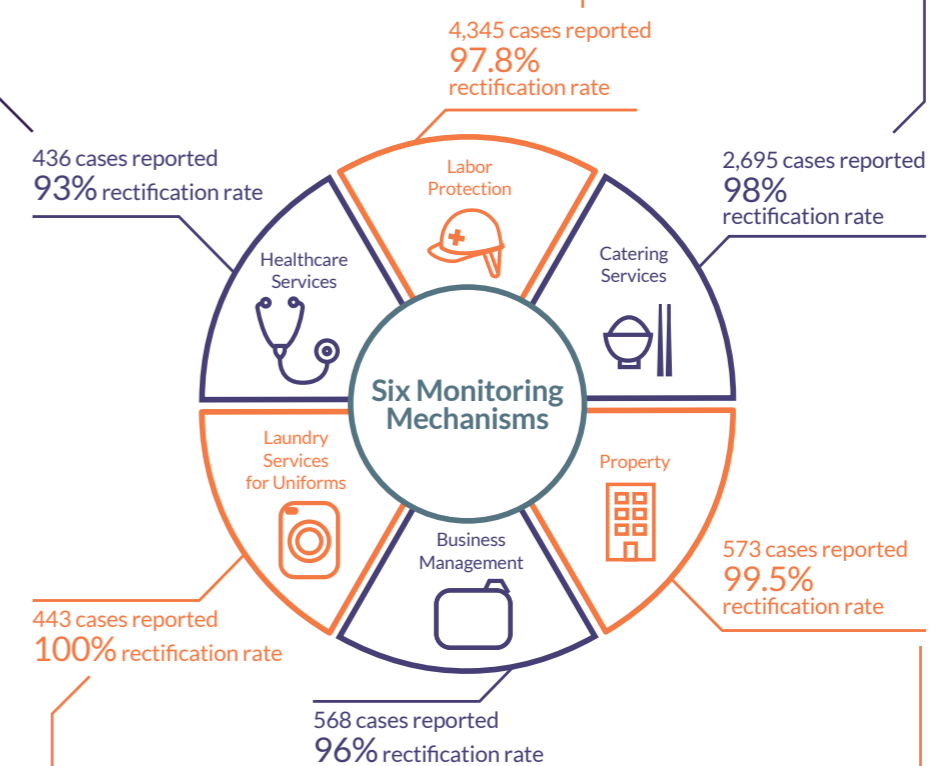
Foxconn's labor union has instituted an integrated system, including telephone hotlines at all of our campuses and dedicated phone numbers to reach key business functions and departments, for employees to share feedback, and to provide employees with care and counseling services. By integrating 26 employee rights protection mechanisms into six categories, including mailboxes to the union, the

Chairman and political stakeholders, as well as hotlines to the Chairman, rights protection and assistance, and online websites, employees are able communicate with the unions and our leadership directly. A care center has also been established to provide round-the-clock service to employees, via immediate response to employee feedback and requests for assistance. In 2014, Foxconn received a total of 32,362 of employee

complaints, with a successful case resolution rate of 99.94%. In addition, Foxconn's business groups conducted a total of 1,653 forums for 21,903 participants to provide feedback on the management of the company. A total of 3,603 issues were raised by employees, with a successful issue resolution rate of 94.8%.

Through the monitoring mechanism of "full participation, comprehensive services, end-to-end process supervision, and continuous information collection", Foxconn has established six committees for labor protection, property, dining, laundry, and business management, which helped to resolve some 19,000 cases of employee requests for assistance.

A pilot program for union leadership elections has been implemented to improve union representation, and candidates can participate in the election on a voluntary basis.



Employee Care Initiatives

In addition to enhancing employee remuneration, Foxconn has also increased investments in enhancing campus infrastructure and the dormitory environment for employees. These include providing recreational facilities, such as integrated sports stadiums, basketball courts, swimming pools, libraries, parks, gymnasiums, banking and retail services, to support healthy lifestyle practices and promote work-life balance amongst employees.

Foxconn also actively organizes extracurricular activities to encourage work-life balance and employee well-being. Foxconn has set up some 20 societies, such as choirs, calligraphy clubs, photography clubs, basketball clubs, dancing clubs, and cycling clubs. Employees can also participate

in various cultural, entertainment and sports activities based on their individual interests and preference, to enrich their life outside work. There are also regular volunteer activities, such as tree planting, blood donation, and care visits to the underprivileged, to encourage employees to do their part to contribute the time to help local communities.

Support for expectant mothers

Foxconn believes that female employees who are expecting should receive special care during their pregnancy. In addition to caring for the physical and mental health and well-being of pregnant employees through activities to promote work-life balance, Foxconn has also taken active measures to create a conducive working

environment for expectant mothers, including assigning less laborious production tasks to these employees.

In August 2014, one of our business groups, Super Precision Mechanical Business Group (SHZBG), established an “assembly line exclusively for mothers”, to provide exclusive support for pregnant employees. Pre-natal care services and weekly seminars are also conducted for pregnant employees and special lounges are also provided.



Foxconn also actively organizes extracurricular activities to encourage work-life balance and employee well-being.



Gymnasiums



Libraries



Swimming Pools



Basketball Clubs

Various employee groups for recreational activities such as baseball, football and basketball



Football Clubs

Kindergarten

To lighten the worries of our employees regarding their children's education, and particularly childcare support for their young children while they are at work, Foxconn has engaged professional educational organizations to provide customized services for our company. One special program is the Zhuo Le Kindergarten, which is located at the east gate of the Longhua campus in Shenzhen, our headquarters in China. With an area of 9,500 square meters, including 4,500 square meters of outdoor facilities, the kindergarten has 130 teachers and staff who provide bilingual (Chinese and English) education to some 800 children. The kindergarten's opening hours cater to employees, allowing parents to drop off or pick up their children according to their working hours, and the facility is located on-campus for greater convenience to employees.

Daycare facilities for children of Foxconn employees



Kindergarten



A conducive environment for expectant mothers



The Foxconn University is a leading corporate university dedicated to providing training and continuing education opportunities to employees across our global campuses.

Training and Continuing Education

The Foxconn University, which is located in China, is a leading corporate university dedicated to providing training and continuing education opportunities to employees across our global campuses. The University aims to provide training to employees, to integrate theory and practice, to promote knowledge application and lifelong learning, and to encourage employees to interact with and learn from one another. With a diverse curriculum, including elective and compulsory credit systems, the University has nurtured many well-rounded professionals with creative and entrepreneurial ambitions. Employees who have benefited from

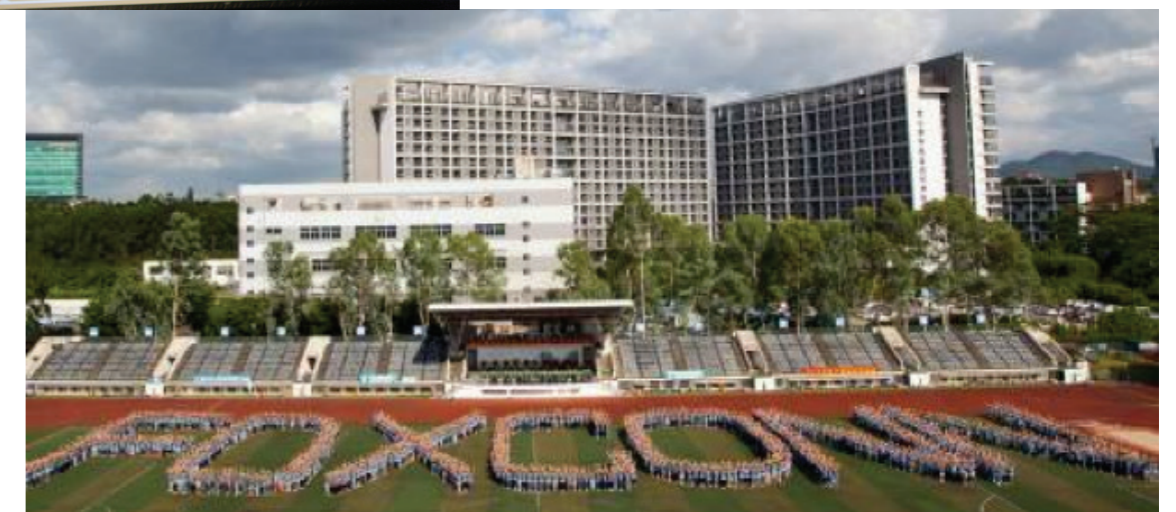
the Foxconn University also serve as drivers of positive change and improvements within our operations, for instance, helping to boost productivity through research and development and the application of advanced manufacturing technologies to our manufacturing processes.

The Foxconn University also serves as an incubator for technological innovation and talent at Foxconn. Guided by Foxconn's overarching business principles of "long-term approach, stability, development, science and technology, and international", the University develops and administers degree courses,

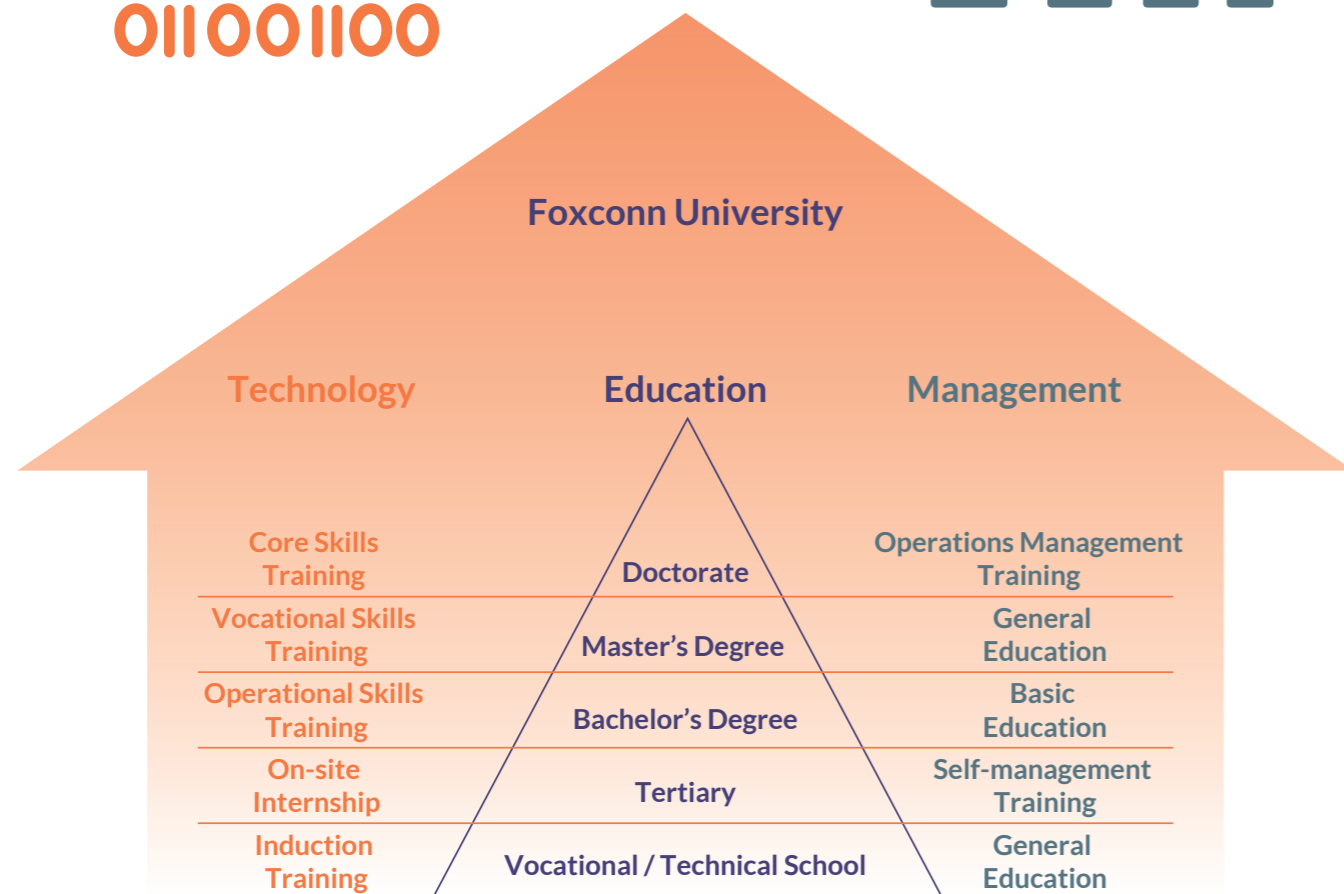
knowledge management programs, management skills courses, industrial engineering courses, general education, on-the-job training, and technical skills development. The University has partnerships with renowned educational institutions, such as Stanford University, the University of Houston, Tsinghua University, Peking University, among others, and think-tanks to conduct scientific research, personnel training and technology and knowledge exchange. In addition, the University also conducts student internships, cadre training, scholarships and many other education, training and development programs.



Jacob Chen, Principal of the Foxconn University, conducting a presentation on human resource management



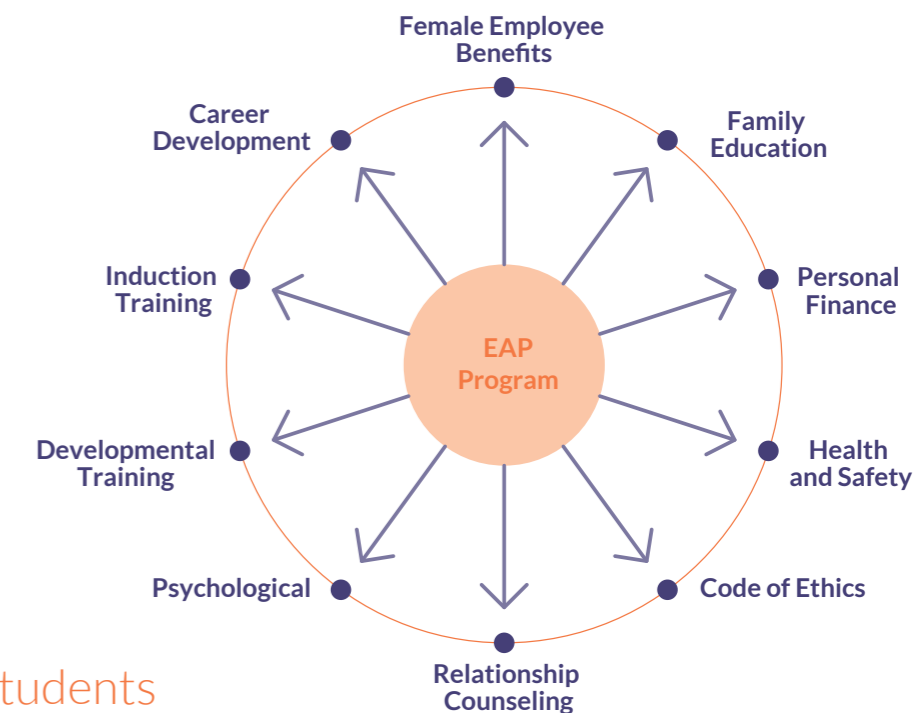
The Foxconn University



In 2014, the Foxconn University offered courses in management, general education, technology, on-the-job training (OJT), industrial engineering, and degree courses, completing over 5.2 million training hours for an accumulated total of over 26 million trainees.

Course	Hours	Accumulated Number of Trainees
General education	4,948,252	22,407,521
Management	17,595	234,605
Technical skills	166,803	2,724,449
OJT	65,321	1,088,683
IE	6,707	111,783
Degree courses	10,800	162,000
Total	5,215,478	26,729,041

Employee training programs



In addition, the University offers training for new employees, Employee Assistance Program (EAP) training sessions, employee development training, technical training and certification, employee care training sessions, and training for suppliers.

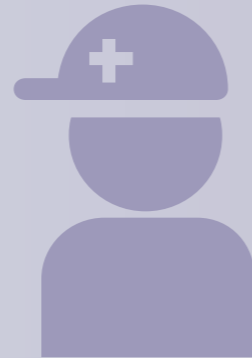
In 2014, 5,055 students were enrolled in formal degree courses at the University and 2,478 employees graduated.

The Foxconn University was established in 2001 to promote continuing education amongst our employees. In 2014, 5,055 students were enrolled in formal degree courses at the University and 2,478 employees graduated. To encourage employee enrolment in continuing education programs, Foxconn has put in place numerous scholarship funding schemes, such as a business group committee scholarship for training, a labor union scholarship fund for specialized training, a college-level scholarship fund, a continuing education fund, and promotion for those employees who graduate from the continuing education programs. In 2014, the scholarship funds disbursed for this purpose totaled RMB 11,941,344 for 5,485 students.



Continuing educations programs

HEALTH AND SAFETY



Our initiatives in safety training and accident prevention measures helped to achieve 1.65 million incident-free working hours

1.65 million
“no significant operational incident” working hours



12,000 occupational hazard monitoring sites established



57,295 employees given occupational health physical examinations



On-site **food safety monitoring facilities** to ensure standard of **hygiene for food preparation**

Prevention Initiatives to Protect Employees



Comprehensive **crisis management training** for dedicated personnel



Centralized storage and handling policy for all hazardous chemicals



Procedures to **prevent workplace incidents** and enhance protection in production



46 health and safety trainings attended by **1,881** newly hired employees in Taiwan



China employees received **941** trainings

- Fire Drills
- Occupational Health and Safety
- Dust-related maintenance work
- Hazardous Chemical Management

21 crisis preparedness trainings attended by **2,929** employees and **evacuation drills** for **2,539** employees

43 safety workshops and activities implemented, with participation by over **270,000** employees

Overview

Foxconn takes our responsibilities as a leading consumer electronics manufacturer very seriously. As part of this commitment, the company places a priority on ensuring the health and safety of all our employees across all of our global operations. Foxconn recognizes that “a healthy employee will contribute to the well-being of a family and society” and is committed to the health, well-being, and safety of all our employees.

Foxconn abides by a “safety first” policy and our focus is on putting in place proactive, prevention measures to eliminate and reduce occupational risks, and provide a healthy and safe workplace for our employees. Safe and sustainable operations are the cornerstone of corporate growth, and the fundamental guiding principle in our approach towards the well-being of our employees. Foxconn also places a priority on occupational safety and health, adhering to the principle of “people-oriented” practices and a

shared goal of achieving “zero injuries, occupational disease, and accidents.” Our company has established an advanced detection and monitoring system, implemented control and prevention mechanisms, enhanced employee awareness of safety policies and capabilities in handling hazardous materials, and conducted safety inspections to continuously eliminate any workplace hazards, and to fulfill our responsibilities as an employer in creating a safe and conducive working environment for all of our employees.

Foxconn’s employee health and safety policies and standards meet applicable international and local laws and regulations, including OHSAS 18000, an international occupational health and safety management system, and SA8000, an auditable social certification standard for workplaces across all industrial sectors.

Foxconn recognizes that “a healthy employee will contribute to the well-being of a family and society” and is committed to the health, well-being, and safety of all our employees.



Healthcare and Wellness

Foxconn continues to invest in creating a safe and healthy working environment, providing employees with a comprehensive healthcare program, including remote healthcare counseling, complimentary health checks, medical assistance and referrals, and designated days off for health and wellness. Foxconn also offers extensive wellness programs to the family members of its employees, which range from health awareness to risk assessment, prevention and screening, health management, health improvement, lifestyle optimization, medical treatment and referral. Such initiatives are part of Foxconn's commitment and goal of supporting "healthy Foxconn families for a happy and harmonious Foxconn."

Employee Health Management

"Foxconn phone 2 health" call center provides year-round healthcare consultation for all employees

Leveraging the prevalent mobile phone use amongst our employees, the Health and Hygiene department at Foxconn developed a digital healthcare platform, health to you (h2u), which provides employees with "anytime and anywhere" access to health information. The digital healthcare platform receives instant transmission of employees' self-measured health statistics through their input to the customer

relationship management (CRM) system of Foxconn's Tele-Health Center, using platforms such as mobile apps, the healthcare service website, and employee health measurement and assessment kiosks, as well as through portable smart health measurement equipment (such as Bluetooth 4.0 blood-pressure meters and Bluetooth 4.0 weighing machines). Based on an employee's health statistics, a professional health management team provides customized consultation and services to the individual, ranging from year-round health counseling or nutrition counseling by appointment, to personal health education to raise awareness and understanding on any potential health issues such as managing high blood pressure, emergency medical assistance and customized health management programs.

Employee health measurement and assessment kiosks

Over 30 kiosks have been introduced in 17 campuses across Taiwan since July 2013, providing employees with on-demand access to their physiological data and health statistics (including blood pressure, weight, heartbeat, etc.).

The "Foxconn Phone 2 health" program is an innovative health consultation platform, where Foxconn leverages Big Data technology to provide more customized healthcare services to employees. Built by Foxconn, the company invests around TWD 30.6 million every month to maintain and operate this program, which involves a specially-recruited health consultation team consisting of nutritionists, paramedics and doctors



Foxconn employee using h2u kiosk for health assessment

Foxconn continues to invest in creating a safe and healthy working environment, providing employees with a comprehensive healthcare program.

who provide our employees with personalized and professional health-related advice.

Foxconn's Tele-Health Center adopts a proactive approach to provide more immediate and efficient healthcare services to employees, as compared to conventional healthcare service providers, while protecting personal privacy by communicating with employees via phone. In addition, the "h2u health cloud platform", which stores and analyzes employees' health data, serves as the starting point

in Foxconn's goal of leveraging and applying Big Data technology and analytics for health-related programs. The h2u health cloud platform not only allows employees to manage their personal physiological data, but also enables the Tele-Health Center to monitor an employee's health status and flag any potential issues so that measures can be taken to address or mitigate any health risks or problems among our employees, realizing the application of Big Data in healthcare.



Key functions of the h2u intelligent employee health management system:

1. **Physiological data measuring and tracking:** coordination with health measurement and assessment kiosks to record weight, blood pressure and heartbeat
2. **Workout data recording:** keeping track of physical activities and calorie consumption
3. **Diet data recording:** keeping track of the menu and calorie information of every campus, including employee selections and feedback
4. **Health-related knowledge and information sharing:** health knowledge and tips, audio and visual teaching of physical and aerobic exercises, interactive questionnaires

Programs for family members of employees

Foxconn provides many employees and their families with subsidies for health check-ups and access to breast cancer screening services, helping to promote the health of their family members and early prevention of diseases. In line with our goal to build "healthy Foxconn families", the company provides TWD 5,000 health check-up subsidy to its employees' immediate family members every year, in addition to the annual health check-up service provided to employees. For example, Foxconn's Health and Hygiene department also introduced a breast cancer screening service for female employees and their female family members, targeting the most common type of cancer among women with the goal of prevention and early detection.

Our employees' family members also have access to follow-up professional counseling services provided by Foxconn's healthcare team after they complete their health check-up. If any health issues are identified, the healthcare team will assist family members in referrals and even accompany them to medical institutions for treatment if required.

“Health and wellness retreat” to improve Foxconn families’ health awareness in a holistic manner

In addition to promoting disease prevention and providing medical referral assistance services, Foxconn believes that ongoing maintenance of our health is crucial and encourages and supports employees in achieving healthy lifestyles. Foxconn publishes a professional monthly magazine, “Morning Foxconn”, with a focus on health in order to encourage Foxconn employees and their families to interact and adopt more active and healthy lifestyle practices. In addition, Foxconn engages a professional healthcare team to design “Health maintenance holidays” which help enhance employee health and well-being through recreational activities, achieving an average employee satisfaction rate of over 85%. By

doing so, the company hopes to plant the seed of health in every Foxconn family and lay a solid foundation for a healthy workplace, and in doing so, contribute to a positive environment for innovation and social development.

Occupational disease prevention

Protecting the mental and physical health of our employees is a top priority for Foxconn. In 2014, Foxconn set up 12,000 occupational hazard monitoring sites in its headquarters in Shenzhen, China, and conducted occupational health physical examinations for 57,295 employees, and distributed 5,000 personal health measurement devices. 22 occupational health workshops and two exhibitions were also conducted to raise employees’ awareness and educate them on actions they can take



Occupational health and safety training

to protect their health and safety. In addition, an employee health check-up center has also been established to provide complimentary annual health checks and analysis to employees, in an effort to enhance their overall health and well-being.

Foxconn believes that ongoing maintenance of our health is crucial and encourages and supports employees in achieving healthy lifestyles.



Occupational health education campaign

Food safety

As a company with over one million employees, Foxconn adopts a systematic approach towards food safety and takes active measures to promote food safety in all our campuses. Our food safety approach is guided by the belief that “People are the foundation of the company. Food is the paramount necessity of the people. Safety is the essential prerequisite of food.”

Foxconn established a specialized Food Sanitation and Safety department in 2006 to supervise the food safety of canteens across all campuses, with the following key programs and measures:

1. Food sourcing controls:

Hierarchical classification management according to the risk level of food materials. Prohibit and limit the use of high-risk food materials and ensure that bulk purchase of food items, such as cooking oil, rice, and fresh meat, is only made through reputable suppliers via a bidding system. Proof of purchase for other food materials, are also filed for records and tracing purposes.

national laboratory dedicated to ensuring employee food safety. The laboratory obtained national laboratory accreditation from the China National Accreditation Service for Conformity Assessment in 2008 (accreditation number: CNASL3654). The test center adjusts and optimizes the testing frequency every year based on the group’s food safety risk management and control needs as well as past test results.

hour video surveillance on food preparation through cameras in key food preparation areas on campus, including food warehouses, vegetable washing and preparation rooms, cooking rooms, dish washing rooms, pantries and dining areas. Food contractors and vendors are also immediately alerted of any issues and they are required to improve food safety practices if they are found to be deficient in any areas. In addition, the processing of food materials is also broadcast live in the employee dining areas so employees are able to see how their food and meals are being prepared.

2. Established food safety test center:

Foxconn is the first company in Mainland China to establish a

3. Established food safety center for catering:

The company conducts 24-



On-campus food safety test center

4. Ensure food safety and sanitation during delivery:

All caterers are required to use stainless steel containers when delivering food materials; designated staff are required to seal, lock and unlock the food delivery vehicles during transportation to promote food safety and records are kept to support all food procurement and preparation.

5. Involve at least three or four outsourcing operational teams to ensure fair competition:

The company has implemented reward and remedial mechanisms to enhance the performance of outsourcing operational teams to facilitate food quality and service improvements and to ensure fair competition amongst approved vendors.

Further, all Foxconn campuses have established catering service supervisory committees with full-time and part-time staff to oversee and monitor food safety and sanitation. To ensure that hygiene and sanitation standards are met, the catering service supervisory committee conducts onsite checks at

To ensure that hygiene and sanitation standards are met, the catering service supervisory committee conducts onsite checks at kitchens and dining areas to inspect all aspects of food safety.



Food safety monitoring center

kitchens and dining areas to inspect all aspects of food safety, ranging from raw material purchase, to the production process, dish washing, and the dining environment, among others. In addition, employees can report any issues or concerns related to food safety through numerous channels, including telephone hotlines, an official WeChat platform as well as a feedback and complaints mailbox. Inspectors and officers work together to handle the complaints in a timely manner.



Live broadcast of food preparation process in the kitchen



Food hygiene and quality checks

Safe working environment

Foxconn is committed to continuously enhancing and maintaining our comprehensive health and safety management system, which has successfully obtained OHSAS 18001 and CNS15506 certifications issued by Societe Generale de Surveillance S.A. (SGS), a Swiss-based inspection, verification, testing and certification company.

According to the "No Occupational Incident Working Hours Record Guideline", Foxconn obtained a certification for its record of 1.65 million "no significant operational incidents" working hours. In July 2014, Foxconn won several awards for its occupational health and safety efforts and results, including "Company excels in promoting occupational health and safety – five stars award", "Special award for excellent company in New Taipei City" and "Special award for outstanding staff in health and safety" from the Ministry of Labor of the Republic of China.

Industrial safety

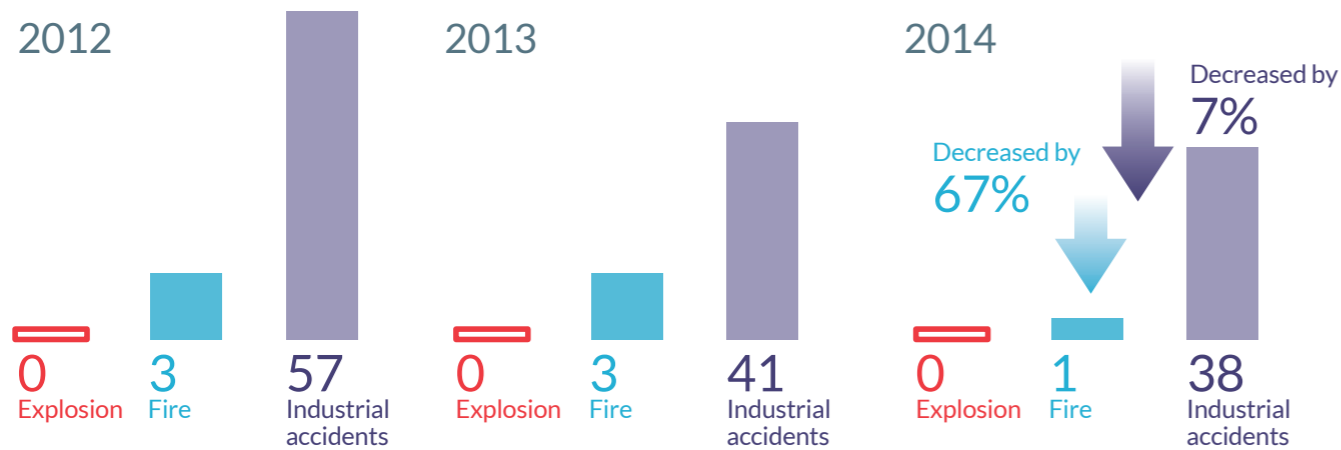
Foxconn established a safety and hazard prevention center at the company's headquarters in the Tucheng district in Taipei, which is focused primarily on promoting the exchange of safety information across campuses, as well as providing crisis management training to employees in order to boost the Group's crisis prevention systems. In addition, infrared thermographic devices were implemented to monitor the operations of various pieces of electrical equipment (such as distributors) at campuses, with comprehensive training for dedicated personnel to ensure they are familiar with the device's operations. These measures have significantly reduced the risk of wind and fire-related incidents and damages at Foxconn campuses.



Foxconn promotes the shared goal of “100% Safety at Work” and “zero injuries, occupational diseases, or accidents” at all our campuses and with all of our employees, and we have put a number of measures in place to ensure employees are working under safe environments. In 2014, a total of one fire accident and 38 industrial accidents occurred at the company’s facilities across China, a significant decrease of 67% and 7% respectively as compared to 2013.

Foxconn promotes the shared goal of “100% Safety at Work” and “zero injuries, occupational diseases, or accidents.”

Incident statistics over past three years

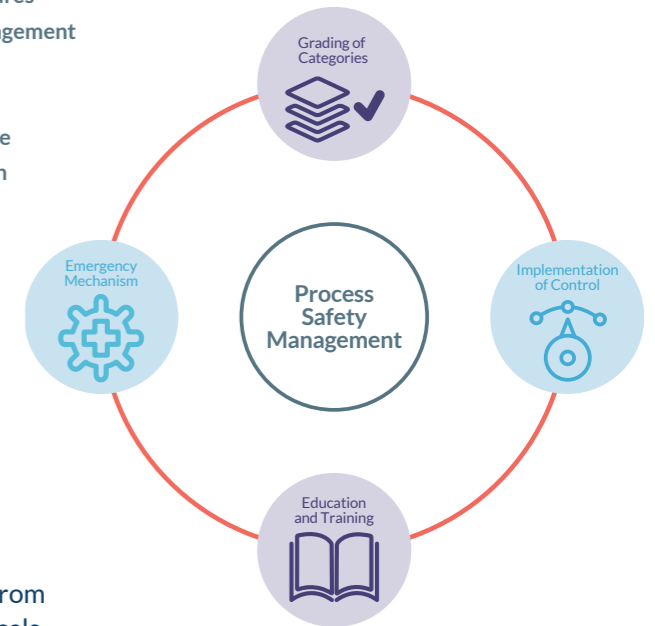
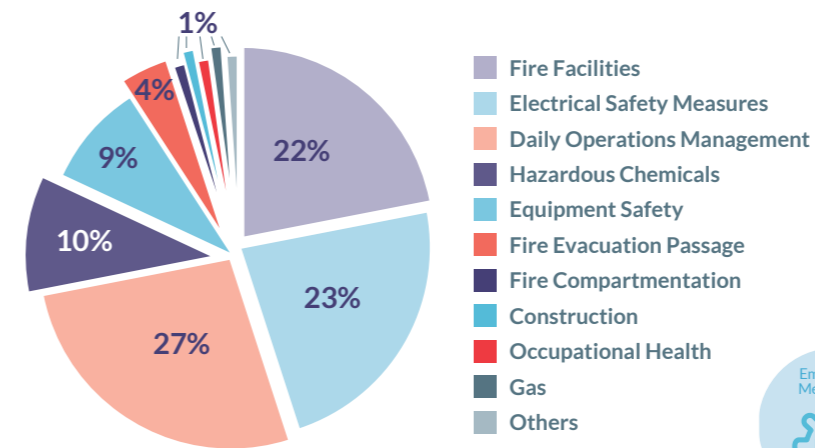


Foxconn formed an internal professional assessment team that conducts daily and monthly safety checks across the facilities in China. Over the past year, a total of 63,853 safety non-conformances were identified, of which 63,737 were successfully addressed, achieving a resolution rate of 99.82%. Work on resolving the remaining non-conformances continues to be undertaken in conjunction with the Foxconn Labor Supervision Committee. In addition, the Committee also conducts audits and assessments of campuses every six months to ensure adherence to and

implementation of the company’s safety policy and that all employees are in a safe environment. To ensure workplace safety and effective prevention of accidents, Foxconn continuously reviews and identifies opportunities to introduce advanced technologies to improve our operations and processes – for instance, in the sourcing of less hazardous raw materials, the proper and routine maintenance of machines, and the enhancement of production flows. In 2014, a total of 55 enhancement procedures were carried out to prevent dust and

sandblast explosions, and to enhance protection in production procedures involving the use of oil sprays and solvents. To minimize chemical-related accidents, the company has set up a centralized storage and handling policy for all hazardous chemicals, focusing on limiting storage amounts and eliminating or minimizing the risk of accidents. Stringent guidelines on areas such as sourcing and disposal of chemicals have also been communicated to employees in order to ensure that they are aware of and observe these safety guidelines.

Cases Identified through audits



Application of HUB warehouse management model and shift from decentralized to centralized management of hazardous chemicals.



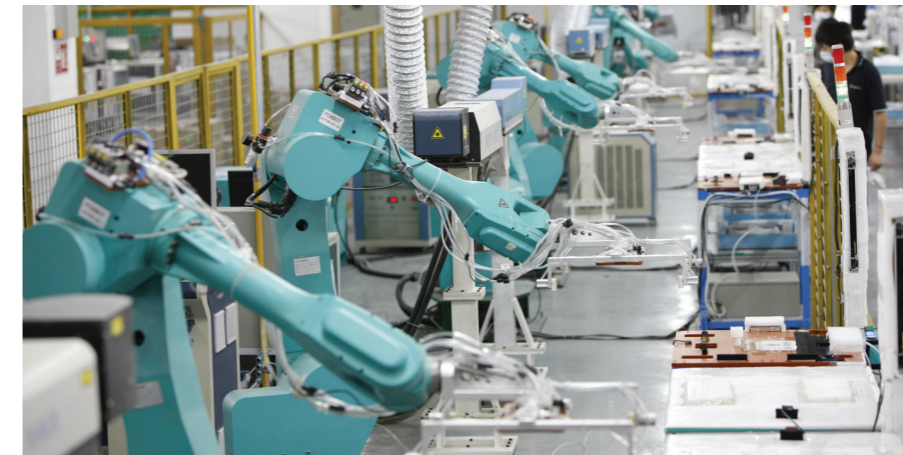
Occupational Hygiene

Foxconn has a clear set of guidelines set forth in the Safety and Hygiene Management Program, which requires the verification of potential physical and chemical risks and environmental assessments at all production facilities. In 2014, assessment results show that the company met all requirements for safety and hygiene management. Foxconn also conducts assessments

for digitization and better laboratory planning in its Taiwan campuses, with the goal to improve working conditions for employees by identifying areas where improvements to the workplace environment can be made.

In order to prevent and minimize the occurrence of occupational accidents and injuries, improve working conditions and boost efficiencies, the company established

the Foxconn Industrial Ergonomics Centre (FieC) to leverage ergonomic theories and industry best practices. FieC aims to promote and enhance the management of risk evaluation systems and provide work-related safety education and training to employees.



Application of automation and control technology; enabling employees to focus on high value-added elements in the manufacturing process



Since the establishment of FieC, the company has made 10 recommendations for future enhancement based on our vision of creating a positive working environment for employees. Together with our customers, we have also established standards and guidelines related to ergonomics as it applies to our workplace and operations.

In 2014, the enhancement of our ergonomics project enabled us to enter the introduction stage of new products ahead of schedule. We first applied similar ergonomics requirements to the product development stage, and eventually expanded the application to all product lines at the mass production stage – which significantly improved the working conditions of employees while reducing production costs. FieC also worked with multiple functions within the company to design, produce, and introduce ergonomics-related products, which effectively

improved employee health and well-being, such as alleviating tiredness resulting from sitting or standing for a period of time and repetitive body movements.

Since 2013, FieC has been collaborating with Foxconn's Occupational Safety and Health Administration department to launch the "ergonomic office project" in its Taiwan campuses, which aims to promote the concept of preventive care. By integrating various occupational safety and health function groups located in the Taiwan campuses and leveraging resources from within the Group, FieC has been able to conduct onsite evaluations focusing on ergonomics-related risks of several product lines and offices in the Taiwan campuses and FieC has been able to provide suggestions on improvements related to the results of those evaluations. After Taiwan's Occupational Safety and Health Act expanded its scope in 2014 to include the impact of ergonomics-related

hazards on employee, there has been an increasing demand for consultation services in the area of ergonomics. In response to such demand, Foxconn provides one-stop technical services in ergonomics, leveraging and sharing our experience and best practices, and leading the development of ergonomics-related practices in the workplace.

Automation

At Foxconn, employee health and safety is a top priority and the company has been investing in the use of automation to improve industrial safety and occupational hygiene. Foxconn is leveraging, and continues to explore ways to leverage, automation and control technology as a replacement for high-risk, heavy and repetitive work, in order to enable our employees to focus on high value-added elements in the manufacturing process.

Health and Safety Awareness Training

At Foxconn, we aim to create a culture where "everyone cares about safety and works towards the goal of building a harmonious working environment". This serves as the basis of Foxconn's programs to promote health and safety, and to educate and engage employees on this important topic so they understand and participate in ensuring the safety of our workplaces. We have developed a comprehensive safety training strategy in order to reinforce employee safety awareness as well as their capabilities in observing and implementing safe work practices. A three-tier safety education system – facility-level, process/production-line level and team-level – for employees has been introduced, and safety education workshops have

been designed and conducted for each level with a focus on different areas in the manufacturing process. In 2014, the company also carried out a number of safety and hygiene training programs for all staff levels across the organization. Highlights of our safety training initiatives that were carried out in both Taiwan and China include:

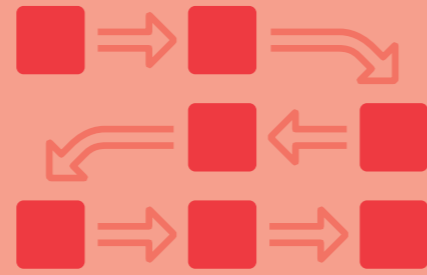
- In Taiwan, a total of 46 safety and hygiene trainings, attended by 1,881 newly hired employees were conducted; 566 safety reminders and warnings based on Foxconn safety protocols and guidelines were issued; 21 crisis trainings on emergency management, with an attendance of 2,929 employees, and evacuation drills for 2539 employees were conducted.
- In China, a total of 150,000 employees received 941 trainings ranging from fire drills to occupational health and

safety trainings, and dust-related maintenance work and other hazardous chemical management trainings. In addition, a total of 13 types of safety workshops and specialized training such as electrical handling, soldering, fork truck control and escalator maintenance were also provided to employees in order to prepare them for related certification examinations.

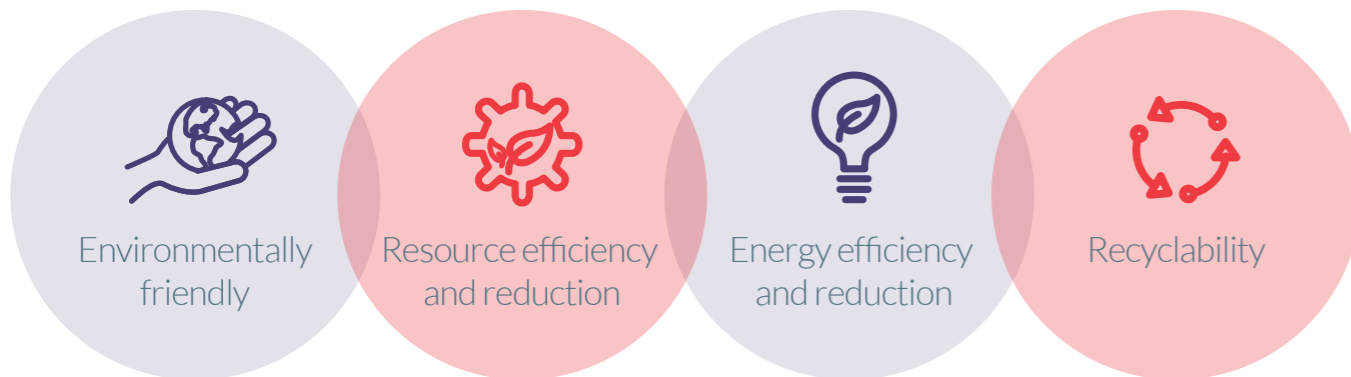
In order to strengthen the ability of employees to handle unexpected and high-risk situations, the company also conducted a number of simulation exercises for different scenarios, such as fire accidents, chemical leaks and natural disasters. In addition, 43 safety workshops and activities such as "Safe Production Month", "Fire Accident Prevention Competition", and "Outstanding Safety Working Group Competition" were implemented, with participation by over 270,000 employees.

SUPPLY CHAIN

Key design principles improved sustainability in our supply chain management, reducing carbon emissions by 120,000 tons annually



Our Four Eco-design Principles



Suppliers are required to **fulfill their social and environmental responsibilities**, adhering to Foxconn's Supplier Code of Conduct

Restriction on Hazardous Substances

196 suppliers certified in total

In 2014



36 suppliers certified,

setting a strong foundation for China RoHS certification as a requirement in the future

Energy-saving Solutions

260 energy-saving technology solutions implemented, reducing **120,000 tons** of carbon emissions per year



Carbon Emission Reduction

Worked with **300** suppliers to **conduct carbon inventory** with 198 suppliers certified



Foxconn ranked No.9 out of 36 global IT brands in 2014 Corporate Information Transparency Index (CITI)

Conflict-free Sourcing

Completed over **4,430** supplier surveys in accordance with the **EICC-GeSI** Conflict Minerals Reporting requirements



Supplier Green Product Management

Foxconn requires that all suppliers comply with the Group's social and environmental responsibility guidelines, and also requires that the Procurement Division and suppliers actively adhere to and implement the following policies:

- Prohibit corruption, discrimination, unfair or non-competitive practices throughout the procurement process by signing a "Letter of Undertaking" that they will adhere to the principles of fair competition and transparency.
- Prohibit discrimination based on country of origin, race, culture, or politics. Foxconn requires that all suppliers live up to its standards and criteria for social and environmental

protection, and abide by these guidelines in their day-to-day operations.

Supplier Green Product Management

Foxconn has set up specialized divisions to study environmental requirements (e.g. Restriction of hazardous substances/Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)/ halogen-free/conflict minerals/ carbon reduction, etc.) of regulators, customers, industry, society, and translate the findings into actionable internal measures that can be integrated and applied within our operations. Foxconn comprehensively implements and executes sustainable

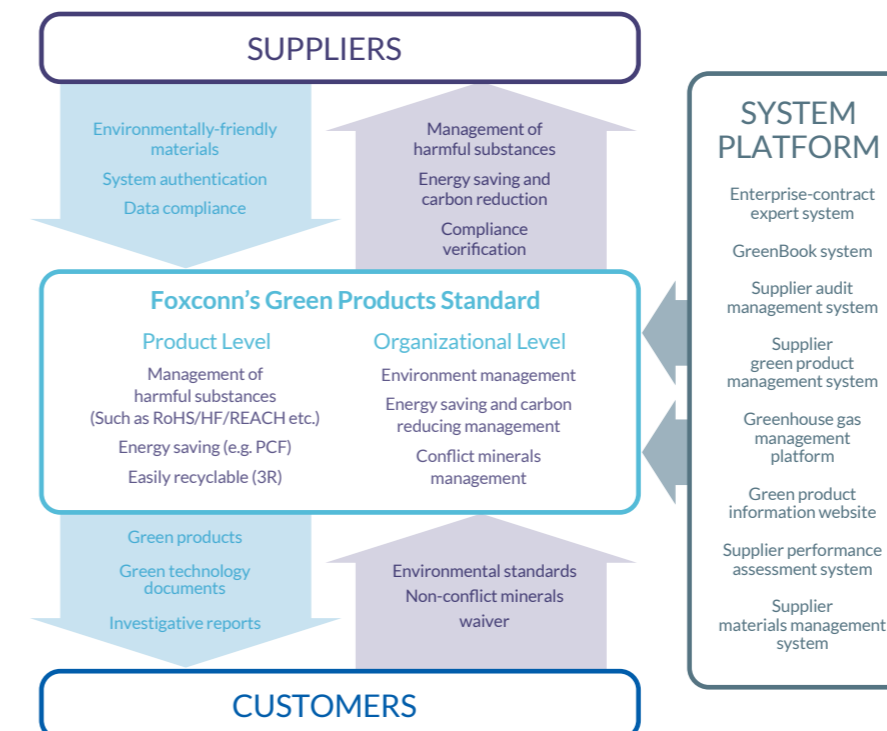
procurement requirements across organizational and product group levels. In addition, the Group is committed to building a sustainable supply chain and requires suppliers to ensure downstream suppliers fulfill obligatory requirements in order to restrict the use of toxic and hazardous substances, encourage the deployment of carbon emission reduction solutions and other environmentally-friendly practices and solutions, and bolster capabilities in making eco-friendly products. Foxconn monitors all aspects of the operations process via system platforms to ensure alignment with sustainability requirements.

International Environmental Regulations and Best Practices to Enhance Sustainability and Green Competitiveness

Green products are becoming increasingly prevalent in the global market, and suppliers are faced with a range of supply and manufacturing challenges following the enactment of new regulations related to environmental protection. As a global leader in the electronics manufacturing (EMS) industry, Foxconn is a forerunner and advocate for environmental sustainability in the manufacturing process and sustainable supply chain management practices.

To eliminate any potential environmental risks posed by Foxconn's products, and those of our

Operation Model



customers, and to prevent electrical and electronic products containing toxic and hazardous materials from entering the market, Foxconn has put in place strict precautions and implemented the following measures:

1. Avoid use of RoHS exempted substances and proactively develop alternative substances and new materials
2. Conduct RoHS exemption compliance audits and require suppliers to substitute substances within stipulated time frame
3. Implement training for staff and suppliers and communicate the latest environmental requirements in a timely manner

In 2014, Foxconn conducted RoHS 2.0 exemption investigations involving five batches of substances for key customers. In order to minimize and eliminate environmental risks, Foxconn continues to proactively respond to and support customer needs related to RoHS 2.0 exemption, and actively communicates such requirements to our supply chain partners.

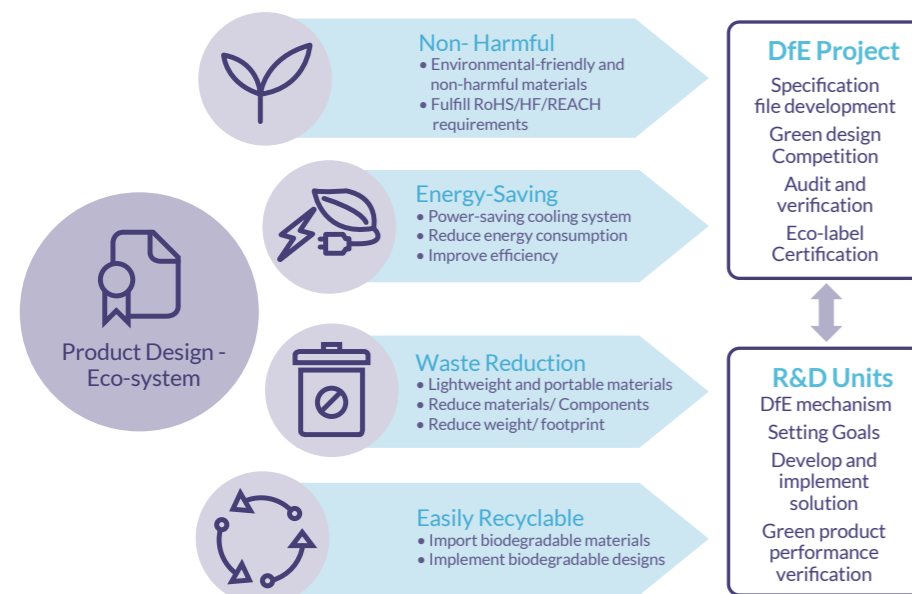
In addition, Foxconn acts in accordance with the European Union (EU)'s Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations. Chemical products declared by EU REACH to contain hazardous substances and substances of very high concern (SVHC) are controlled and carefully managed to ensure REACH compliance. We also regularly monitor developments in major international environmental regulations to ensure we have a better understanding of the latest trends and best practices in environmental protection and sustainability of supply chains.

Environmentally-friendly Product Design

In addition to applying strict compliance control on incoming materials from suppliers, Foxconn also places priority and attention on the product sourcing process to ensure that they are environmentally-friendly. According to a study by German environmental authorities, over 80% of the environmental impact of

consumer electronics products can be attributed to product design. In light of this finding, Foxconn has introduced a sustainable product management system, which requires selecting materials and suppliers that adhere to the company's guidelines to ensure the elimination of toxic and hazardous substances from all products, starting from the design stage. In addition, Foxconn has set up the Design for Environment (DfE) program to integrate green design concepts and technology into our product design process.

The DfE program is divided into three phases. Our short-term strategy is focused on extending the green life cycle of products through the redesign and enhancement of existing products and processes. The medium-term goal focuses on innovation around the design function and application to emphasize green and sustainability in product design. Foxconn's longer-term strategy is to build a holistic infrastructure system and systematic approach for the design and development of products and services that are in line with our green and sustainable design objectives.



Four key design principles, including environmentally-friendly, energy and resource efficiency and reduction, and recyclability, form the basis of product design under the DfE program. The program analyzes sustainability as it relates to each aspect of the product life cycle and leverages Foxconn's capabilities across the Group to systematically improve the product design process for the production of environmentally-friendly and sustainable products.

Supplier Green Product Management

Foxconn is committed to ensuring that suppliers observe sustainable supply chain practices and to supporting them in the implementation of such practices throughout the value-chain, from product sourcing to risk management and auditing. Foxconn requires that all suppliers have in place a sustainable and hazardous materials and product management system that is certified by a third-party to systematically enhance capabilities in green and sustainable product management.

Foxconn continuously reinforces our green supplier management strategy, including our approach on managing high-risk and medium-risk suppliers. We have completed 316 green product management audits onsite at our suppliers' facilities and the following chart illustrates the key audit areas, non-conformance and resolution rate:

We adopt a progressive grading approach, a scoring method in which points are awarded or deducted based on performance, in order to motivate suppliers who have not met or are unable to meet our requirements in relation to green products to take actions to improve their standards. We continuously evaluate suppliers' performance, request senior executives to attend on-site investigations and reviews, issue formal letters of complaints to their senior management, and flag non-compliance issues to customers, to encourage our suppliers to fulfill Foxconn's requirements and also those of our customers.

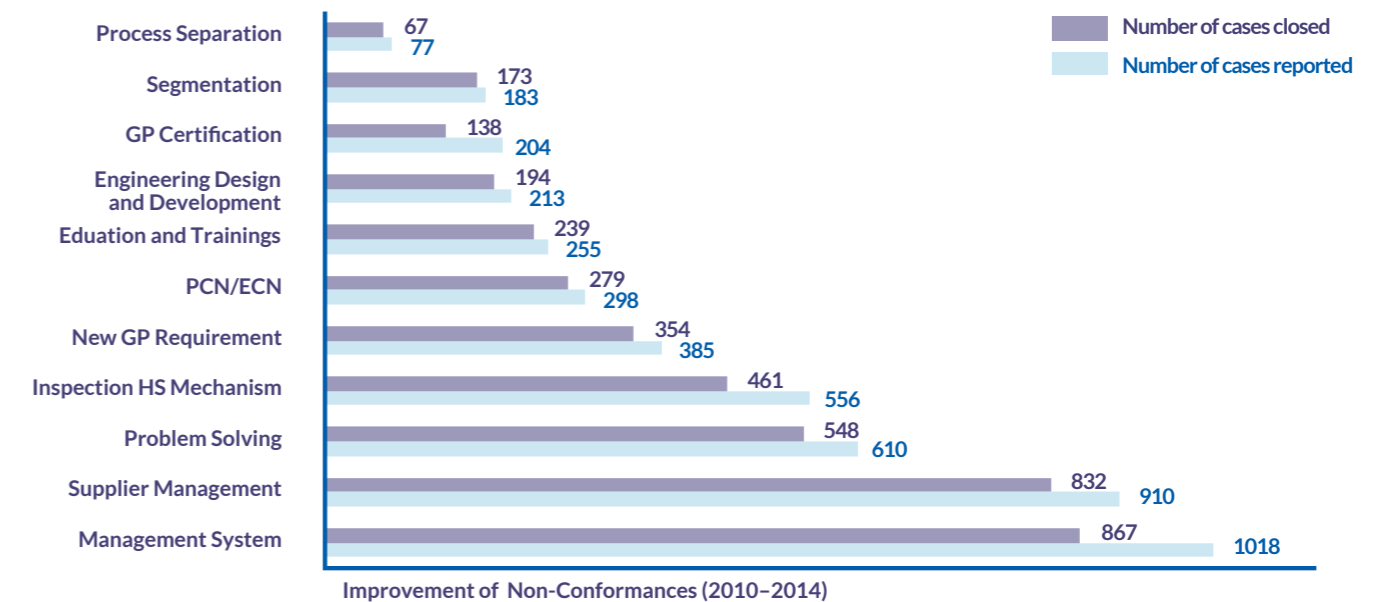
In addition, as part of the Chinese government's RoHS supply chain

certification pilot initiative, Foxconn was selected as a pilot and model enterprise to collaborate with China's Ministry of Industry and Information Technology in supporting Foxconn suppliers in obtaining their certifications. With 36 pilot suppliers successfully completing the certification process in 2014, the total number of certified pilot suppliers to date has increased to 196 – setting a strong foundation for RoHS certification as part of customer requirements in the future.

Big Data for Sustainable Procurement

The next milestone in Foxconn's sustainable procurement strategy is the securing of Big Data infrastructure to support our sustainable procurement platform. This includes utilizing Big Data in the integration of various service platforms, coordination of responses, management and sharing of information, setting benchmarks, and learning from experiences, to support Foxconn in realizing our goal of efficient operations and sustainable procurement.

Suppliers Green Products Audit Improvements between 2010 and 2014



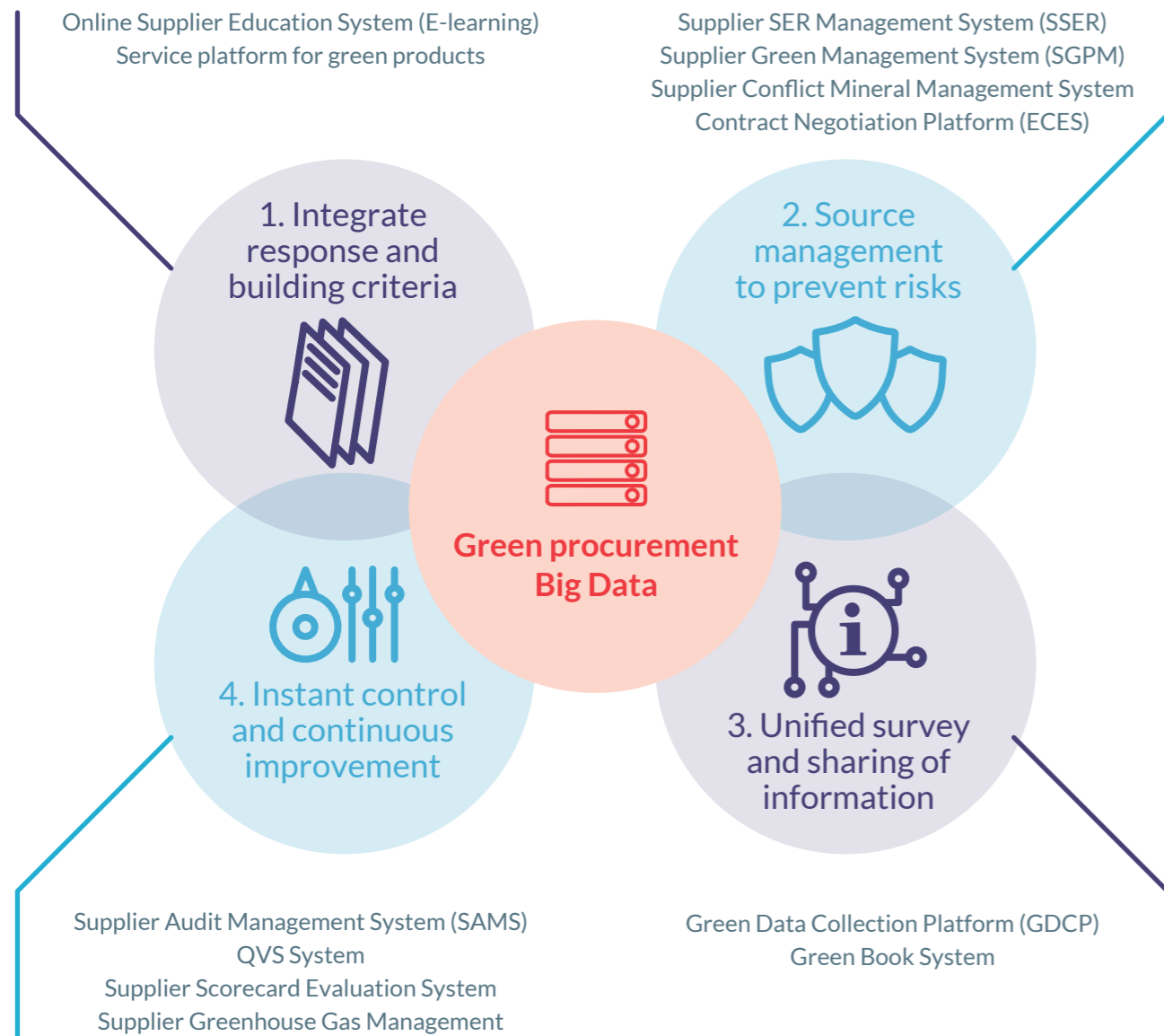
GROUP ORIENTATION

Cloud | Mobility | Internet of Things | Big Data | Intelligence | Network

CATEGORIES

Non-harmful | Low carbon | Environmentally friendly | Low-power consumption | Easily recyclable | Green logistics

OPERATIONAL MANAGEMENT



SERVICE AND APPLICATIONS

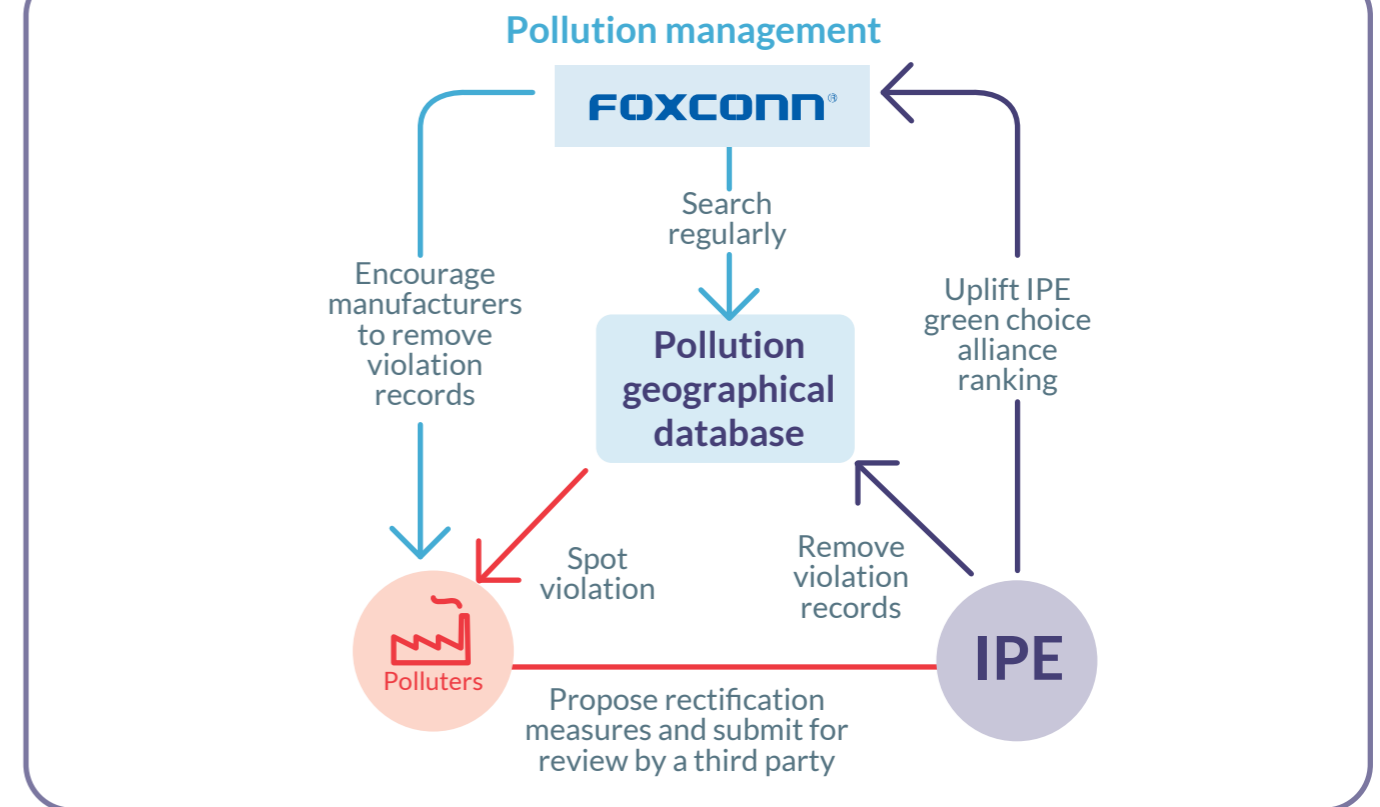
1. Information sharing, servicing sub-groups



Commencement of education
and training
Audit aid for clients
Deal with environmental regulations



2. Promote environmental ranking of Group



3. Progressive grading approach



Supplier Social and Environmental Responsibility Management

Supplier SER Management

Foxconn has included SER as part of our selection process for suppliers. In 2014, the company conducted risk assessment of 60 new suppliers and conducted on-site audits of high-risk suppliers. Our comprehensive supplier SER assessment process entails a thorough evaluation of the supplier's management of key areas relating to the environment, health, safety, and labor rights of the workplace.

In addition, the company conducts ongoing monitoring and management of our suppliers. As at the end of 2014, Foxconn conducted 423 supplier audits, identifying 7,360 non-conformances, and worked successfully with suppliers to address and resolve 6,423 of these non-conformances. Foxconn is currently working with the suppliers to resolve the remaining non-conformances.

Conflict Minerals Management

In regards to conflict materials, Foxconn has enforced stringent supplier management requirements in accordance with international and local conflict minerals legislations and has proactively communicated these requirements to our suppliers. The following measures have been implemented to ensure effective conflict minerals management throughout the supply chain:

1. Establish Foxconn's conflict minerals management and procurement policies and guidelines
 - Suppliers must comply with their social and environmental responsibilities
 - Foxconn will not accept from any supplier, any product that contains conflict minerals from the Democratic Republic

of Congo or its neighboring countries

- Suppliers are required to set up a conflict minerals management system to ensure that products do not contain gold, tantalum, tin, and tungsten from conflict mines
- Suppliers shall require their upstream suppliers to comply with the same requirements

2. Establish conflict mineral management programs and teams to monitor compliance with policies, and conduct training for employees and suppliers in conflict minerals management

3. Define standards and classification for conflict minerals across the supply chain to closely monitor and manage suppliers who use gold, tantalum, tin, tungsten, and its derivatives

4. Require suppliers to sign SER contracts which include conflict minerals management terms and requirements to ensure suppliers understand their responsibility in the effective implementation and the provision of accurate data for tracking and management

5. Provide training and information to suppliers on Foxconn's conflict minerals management guidelines and requirements

6. Establish a centralized platform for data collection to monitor and generate reports on smelters' conflict minerals management

In line with the US Dodd-Frank Wall Street Reform and Consumer Protection Act and requests from customers, Foxconn requires suppliers to provide due diligence reports on conflict materials in the supply chain. In 2014, we continued to fulfill the EICC and Global e-Sustainability Initiative (EICC-GeSI) Conflict Minerals Reporting requirements, conducting supplier surveys for this purpose. In 2014, the Group distributed the survey to a total of 5,094 suppliers, with 4,434 suppliers, or 87%, completing the survey. The survey results show that no Foxconn supplier uses any conflict minerals.

In 2014, Foxconn proactively cooperated with customers to drive the supply chain towards the use of Conflict-Free Sourcing Initiative (CFSI)-certified tantalum smelters. In 2015, we will continue to work



Foxconn provides an annual webinar training to increase awareness and enhance the management of occupational health.

with customers and other external stakeholders to promote the compliance of CFSI certification for supply chain sources of gold, tantalum, tin, tungsten, and its derivatives.

Violations of Environmental Regulations and Management

Foxconn cooperates with the Institute of Public and Environmental Affairs (IPE), a renowned NGO in China, in order to ensure our suppliers meet environmental laws and regulations. We make use of the data collected from IPE's "China Waste Water Map" and "China Air Pollution Map" to identify any non-conformance that should be rectified.

In July 2014, IPE and the Natural Resources Defense Council (NRDC) announced the sustainable supply chain Corporate Information Transparency Index (CITI), a ranking of green and sustainable procurement performance. Foxconn advanced to the 9th position, from the 24th place in 2012, among the 36 global IT brands included in the CITI.

Supplier Occupational Health Management

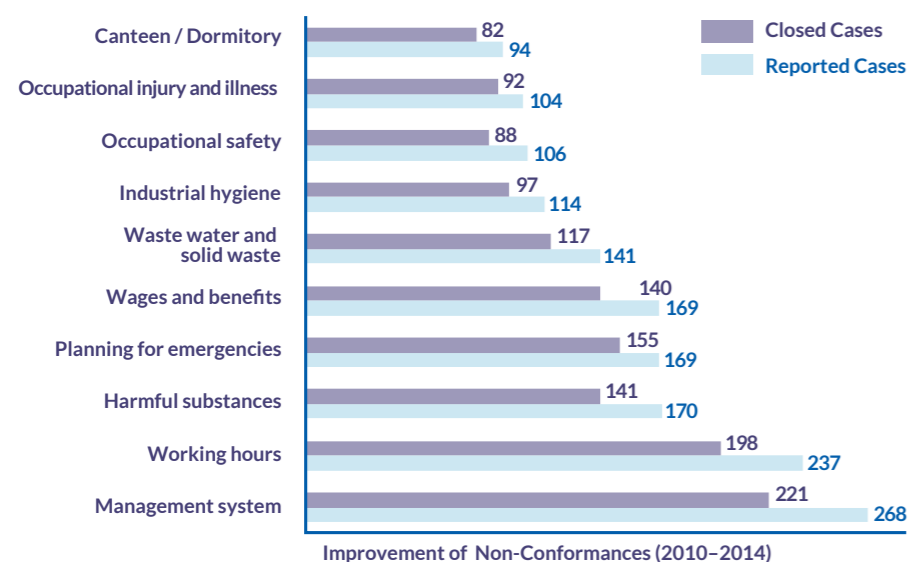
In 2014, Foxconn developed a mandatory management program for

supplier management of occupational diseases, educating them on high-risk chemicals such as benzene, n-hexane, and formaldehyde, to support suppliers in augmenting their occupational health management and safety practices. In addition, Foxconn requires all suppliers to:

- Prohibit the use of benzene, n-hexane, formaldehyde, and other toxic chemicals
- Strengthen management of occupational disease prevention

Foxconn provides an annual webinar training (<http://gp.webinar.foxconn.com/>) to increase awareness and enhance the management of occupational health. We also administered an "Occupational Diseases Prevention and Management Questionnaire" to survey and understand the status of occupational health management among suppliers, and use the findings to support suppliers in enhancing related practices. The survey results are provided to the management team of suppliers to help them identify non-conformance and implement measures to improve or resolve any violation of the regulatory requirements relating to occupational health management.

Identification and Rectification of the Top 10 SER Cases over the Past 3 Years



Supplier Greenhouse Gas (GHG) Management

Foxconn attaches significant importance to global climate change challenges and works continuously with tier-one suppliers on carbon reduction measures, leading by example in requiring suppliers to meet their responsibilities to our society and the environment. In 2013, the Group established "Procurement Guidelines for Suppliers in Fulfilling Carbon Reduction Obligations", requesting that all suppliers meet the following requirements:

1. Adhere to Foxconn's carbon reduction policies and establish a system, at the organizational and product levels, to monitor carbon emissions.
2. Assess emission risks and incorporate new technology into the production process to reduce carbon emissions.
3. Share and promote requirements with upstream suppliers and end users in order to fulfill environmental protection responsibilities.

Activities and Progress:

In 2008, Foxconn established a greenhouse gas reduction management platform. Since the start of the program, over 400 pilot suppliers have participated with about 300 pilot suppliers having completed their carbon inventory in accordance with ISO14064. Among these, 198 pilot suppliers have received the ISO14064 certification. To help suppliers with high emission rates (5,000 TCO2 emissions annually), Foxconn requires such suppliers to develop annual carbon

reduction targets, submit carbon reduction programs, and regularly report the status and results of their implementation program. Foxconn also provides assistance to suppliers to support them in meeting their carbon reduction goals. Every year, over 60% of suppliers have achieved their annual emission reduction targets, which are listed in the following table:

Year	Annual reduction target
2011	4%
2012	9%
2013	12%
2014	15%
2015	17%

Annual CO2 emission reduction targets (compared to the base year for carbon emissions per unit of output rate)

Since 2011, the company has established a platform for supplier GHG management (http://sdcp.foxconn.com/GP_GHG/ghg/), which facilitates GHG management through the following:

- Provides a channel for suppliers to submit compulsory information on carbon inventory and carbon emissions, and undergo evaluation of achieving the target through this platform
- Foxconn conducts a review of suppliers' performance against carbon reduction targets, and forms a carbon database
- In addition, suppliers can also access carbon reduction technology case studies and related industry news from the platform to help them in reducing carbon emissions and related costs.

In addition to providing a platform for sharing experience and information on carbon reduction technologies, Foxconn also conducts a series of activities to encourage suppliers to reduce carbon emissions:

- Organize carbon reduction competitions among suppliers to recognize suppliers who excel in energy-saving and reducing carbon emissions
- Invite local and international companies that are leaders in carbon reduction and energy efficiency to host seminars at Foxconn, to share and exchange valuable experience
- Provide advice and guidance to suppliers on carbon reduction technologies, analysis of energy-saving related issues and recommendations on solutions

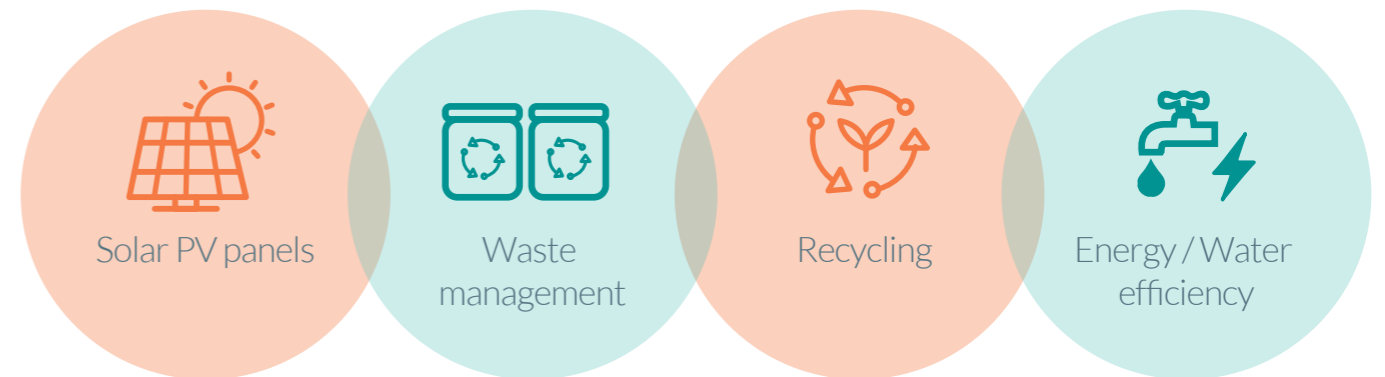
As of 2014, 260 energy-saving technology solutions have been implemented by our pilot suppliers, which reduced carbon emissions by nearly 120,000 tons per year.

We are committed to our social and environmental responsibility and we will collaborate with our suppliers to proactively implement energy-saving and carbon reductions measures to address challenges resulting from climate change and global warming.

ENVIRONMENT

Our initiatives in environmental protection are driven by innovation and investment in Foxconn facilities

Our Areas of Focus in Environmental Protection



Invested **TWD 1 billion** (USD 34 million) in **1,123 new energy-saving projects**



A total of **548 million kWh saved**



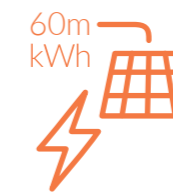
Energy savings of 6.8% and **~TWD 2 billion** (USD 66 million)

Harnessed Renewable Energy

Increased total installed photovoltaic power generation capacity to **50.5MW**, with an annual power capacity of **60 million kWh**

Realized a **28.5% decrease** in **carbon dioxide reduction**, exceeding the target by **4%**

Reduced carbon emissions to an **average annual rate of 8.02%** from 2010 to 2014



Invested **TWD 524 million** (USD 17 million) in upgrading environmental protection facilities

- Enhanced processing
- Capacity for overall waste manufacturing plants
- Gas emissions

Environmental Management

Environmental sustainability is a top priority for Foxconn and we have put in place a systematic approach towards integrating green and sustainable practices in our operations, implementing measures in the areas of environmentally-friendly product design, carbon emission reduction, process management, energy and resource management, and supply chain management to minimize the impact of what we do on the environment. To achieve the objective of environmental sustainability, Foxconn has invested significantly in green manufacturing and innovation to uphold the highest standards in green technologies, energy efficiency and environmental protection.

Environmental management

Foxconn practices and advocates sustainable development, innovative environmental technology development, and efficient use of resources. In 2014, the company invested a total of RMB 105 million in upgrading and enhancing environmental protection facilities in our manufacturing plants, significantly enhancing the processing and management capacity of wastewater, gas emissions, general waste, and recycled materials.

Water treatment and utilization:

Foxconn actively promotes the reuse of wastewater and adopts the use of reclaimed water throughout

our production lines in order to reduce the impact of manufacturing on the environment. We are also committed to conserving water resources through the optimization of production processes. As a Group, our goal was to conserve 718,000 tons of water in 2014.

Air pollution control:

Foxconn has introduced the ERCO exhaust gas cleaning system, to enhance capabilities in processing exhaust gas.

Waste Disposal:

Foxconn's manufacturing plant in Shenzhen produced a total of 47,000 tons of hazardous waste in 2014, all of which was treated and disposed of in compliance with environmental laws and regulations.

Recycled materials:

Foxconn actively promotes the use of environmentally-friendly materials, and has conducted research to

develop environmentally-friendly products that are sustainable.

ERCO exhaust treatment system

Foxconn actively pursues a variety of environmental activities to raise awareness and to educate and increase the engagement of employees in doing their part to protect the environment. In June 2014, a series of green activities were conducted in China, under the theme of "green and environmentally-friendly practices are a shared responsibility". Employees participated in eco-creative activities such as turning waste into plastic, reducing carbon emissions through more active and healthy lifestyles, promoting environmental awareness, and green living.

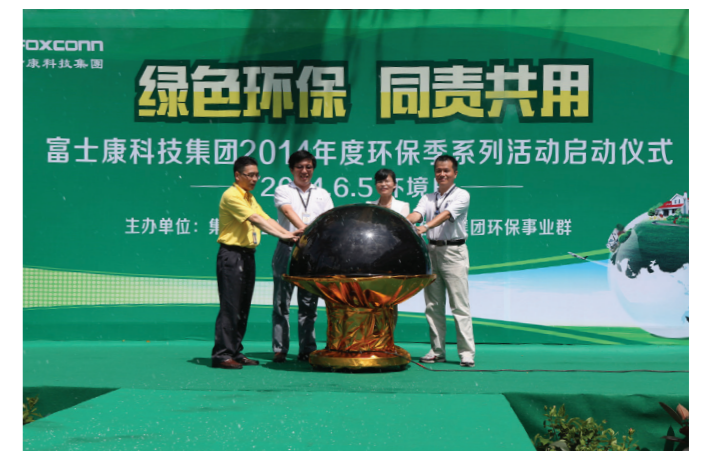


Air pollution control via the ERCO exhaust treatment system

Recycling

Set up in 2000, Foxconn's Plastic Resource Application Center (PRAC) provides departments within the Group with services and support in the dyeing, modification, recycling, and pelletizing of plastic. The plastic that goes to the PRAC for recycling comes from factory rejects and waste generated from the process of molding, industrial plastic parts, as well as plastic parts that have already been sold to the market. The PRAC generates a plastic pellets production capacity of 100,000 tons a year, and a lumber production capacity of 30,000 tons a year.

Foxconn's efforts in the recycling of plastic waste and the use of renewable materials not only creates economic benefits, but also effectively reduces the environmental impact of the electronics industry. It is also an important way for enterprises to ensure sustainable development. With the growing importance of environmental protection, the plastic recycling process significantly contributes to a more sustainable society.



Campaign on environmental awareness

Foxconn's efforts in the recycling of plastic waste and the use of renewable materials not only creates economic benefits, but also effectively reduces the environmental impact of the electronics industry.

Fourth-generation Industrial Park

Underscoring Foxconn's dedication to sustainable development, the company has built a Fourth-generation Industrial Park in Guiyang, China, the provincial capital of Guizhou, where the latest green manufacturing technologies are being applied throughout the campus. Operational in 2014, the Guizhou Industrial Park epitomizes Foxconn's vision and green manufacturing philosophy, and was designed and built with the principles of "energy-saving, environmental protection, and eco-culture".

Using innovative design principles, the layout and buildings in the park take into consideration the natural terrain and environment in which they are situated. In particular, the data center is sited in a valley and utilizes wind drafts from the hilly terrain to cool the equipment, reducing energy consumption from air-conditioning.

Foxconn's fourth generation design of a green industrial park includes R&D centers, a cloud computing center, sewage treatment plants, green parks, and natural greenery surrounding transportation routes. The park follows the concept of eco-building design, and aims to fulfill the objectives of environmental preservation and protection, the conservation of resources, including energy, land, water, and materials, the reduction of pollution, and sustainable development.

The roof of the industrial park building uses colored steel roof insulation, to

provide efficient insulation and roof reflectivity. The building exterior also features a glass curtain wall, which follows the US Leadership in Energy and Environmental Design (LEED) design standards, to effectively reduce light pollution that affects vehicular traffic and heat loss generated by energy exchange.

Green technology has also been applied in siting considerations. To minimize excavation, the company chose a building structure with varying foundation levels to take advantage of the natural terrain. Foxconn has also taken measures to increase permeable ground on the site to 30% for growing vegetation that would reduce noise pollution, block dust, and purify the air.

In order to maximize energy savings, the building design features natural lighting, ventilation, and rainwater harvesting systems. Renewable building materials have been utilized in the plant construction, such as the enclosure walls which were constructed using industrial waste, namely aggregate porous brick or cinder block phosphogypsum.

To facilitate optimal use of water resources, the park is fitted with a water-saving irrigation planting design, and landscaping with local native plants that require low water usage. The facility also has a roof rainwater recycling system that gives priority to the recovery of rainwater to irrigate the surrounding greenery. This design also includes

the use of water-saving controls, micro-irrigation, rain sensors, wet soil investigation, and other automatic watering systems, which greatly reduces the amount of water used for plant life, resulting in water savings of over 50%.

The park also fulfills the objective of improved waste management, with features including a constructed wetland, pond ecology, and water and living sewage disposal systems. It also has water pumps that are connected to mountain reservoirs and it utilizes organic matter from processed sewage to fertilize the green vegetation in the surrounding area. Additional features, including an artificial lake, a pond garden, and open spaces, have been added to the site to supplement the ecological features in the area. Many aquatic plants have also been introduced in an artificial wetland wastewater treatment system. The planting of deciduous trees in the facility also aids in water recycling.

The additional vegetation also provides herbivorous animals with a stable food source, allowing animals to forage, nest, breed and seek refuge within the foliage. Aquatic plants help prevent oxidation damage in the water quality, and facilitates the natural purification of wastewater.

The completed project yields 70% green coverage and 80% efficiency in recycling on-site waste and the choice of local building materials. The additional vegetation yields an annual



The eco-friendly Guizhou Fourth-Generation Industrial Park



Efficient roof panel design at the Guizhou facility



Aerial View of Guizhou Park

cost savings of 35% and generates enough energy savings to achieve an additional 30% annually over international energy efficiency standards.

In the future, Guizhou Park will become a "green, ecological, natural, zero emissions, and recyclable" facility and a model for sustainable development among industrial parks.

Climate Change

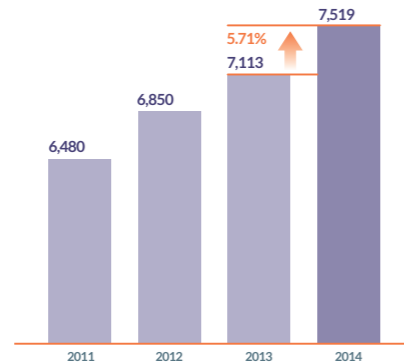
Global climate change is one of the most important issues for world leaders and the global industry, and we recognize that it is one of the major factors affecting business operations. Foxconn adopts a proactive approach towards understanding and addressing the issues surrounding climate change and we participate in international dialogues on how to tackle climate change. Foxconn dedicates resources towards analyzing and developing solutions for climate change and the Group adopts international standards as a basis for energy and carbon asset management and in the development of climate change adaptation and mitigation strategies.

Energy management

The Foxconn Energy Efficiency Technology Committee established the Shenzhen Fox-Energy Technology Co., Ltd. (hereinafter: Fox-Energy) in January 2013. Today the company has branches throughout China and it also has a number of patented energy-saving and carbon emission reduction technologies, such as 'power line carrier smart meters', 'the removal before metal coating', the replacement of compressed air dust removal device, 'multi-split air conditioning systems'. Foxconn actively promotes the Energy Management Contract (EMC) in order to facilitate the growth of the energy services industry and to provide professional energy efficiency services within the company and the community.

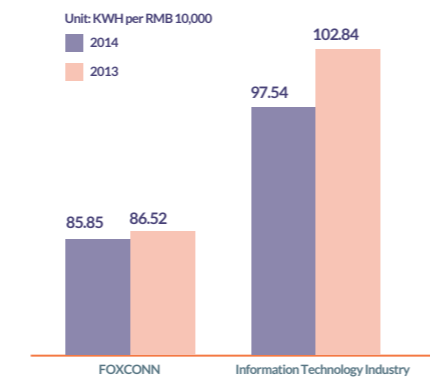
As Foxconn's operations continue to grow, the Group's electricity consumption in 2014 was around 7,519 one million kWh, an increase of 5.71% as compared with 2013. Below is a breakdown of Foxconn's electricity consumption across all business units:

Use of electricity from 2011 to 2014 (million kWh)



Foxconn's 2014 energy efficiency (electricity consumption per unit of output) experienced a fall of 0.78% as compared to 2013. 85.85 kWh per RMB10,000 was recorded, and the Group's energy consumption was 1.14 times more efficient than the average of China's information technology industry. The following chart compares the electricity consumption per unit of output between Foxconn and China's information technology sector:

Comparing electricity consumption between Foxconn and the information technology industry



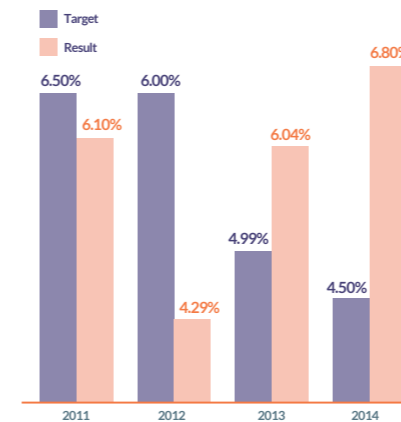
As Foxconn's production plants are mostly concentrated in Mainland China, we are guided by the national 12th Five Year Plan in planning our business operations. Thus we develop energy-efficiency goals at the beginning of each year, and communicate these targets to every branch and unit within the company so that they implement comprehensive energy-efficiency technologies and contribute towards realizing the Group's overall goals.

At the same time, Foxconn invests significantly in a variety of energy-efficiency technologies. In 2014, Foxconn invested RMB 208 million

Foxconn adopts a proactive approach towards understanding and addressing the issues surrounding climate change and we participate in international dialogues on how to tackle climate change.

into this area, initiating 1,123 new energy-efficiency projects, covering the SMT process, machineries, power distribution, air conditioning, air compressor, and others. Foxconn's investment has resulted in a total of 548 million kWh saved, which translates to energy savings of 6.8%, and around RMB 410 million in savings. The chart below shows our progress in achieving our energy-efficiency targets over the last four years:

Targets achieved over the past 4 years



In 2014, Foxconn petitioned for the implementation of enhanced energy efficiency motor requirements with the relevant Shenzhen authorities, which resulted in the improved energy efficiency of the motor group work program in Foxconn's Longhua campus. We also completed the motor transformation plan to accelerate the elimination of inefficient motors, the promotion of energy-efficient motors, and the enhancement of Foxconn's overall motor energy-efficiency standards.

Foxconn's Shenzhen facilities accounted for a total of 1,156 units in the motor transformation program, which translates into a power efficiency rate of 23,518KW. When all the enhancement projects have been

completed, the program is expected to have generated energy saving of 44.2 million kWh per year. In December 2014, Foxconn implemented and completed the first motor elimination efficiency renewal project, resulting in the transformation of 112 motor units, accounting for about 10% of our transformation target.

Energy Management System ISO50001 Certification

In 2014, 16 of the Group's legal entities attained the energy management certification standard, ISO50001. Foxconn's achievement is deeply rooted in the operation of its manufacturing plants, where we have not only been able to effectively reduce the consumption of energy resources, but also effectively manage resource costs. ISO50001 certification for Foxconn's remaining 30 legal entities is expected to be fully completed in 2015.

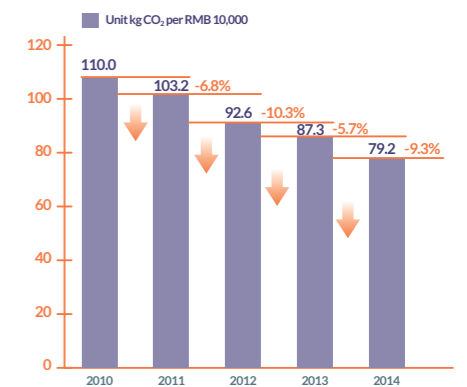
Carbon Asset Management

In accordance with the requirements



of the Mainland Chinese government's 12th Five Year Plan on the 17% reduction of carbon dioxide emissions, Foxconn has set a carbon dioxide reduction target of 24.5%, based on the company's 2015 carbon dioxide emissions per unit of output compared to the average in 2010. In reality, Foxconn's carbon dioxide emissions reduction has already exceeded the target as its output in 2014 was 79.2 kilograms of carbon dioxide per RMB 10,000, which translates to a 28.5% decrease against the average in 2010. The graph below illustrates the rate of reduction of carbon dioxide emissions per unit of output by Foxconn over the past 5 years:

Additionally, Foxconn has been actively involved in carbon credits trading projects in Mainland China since 2013,

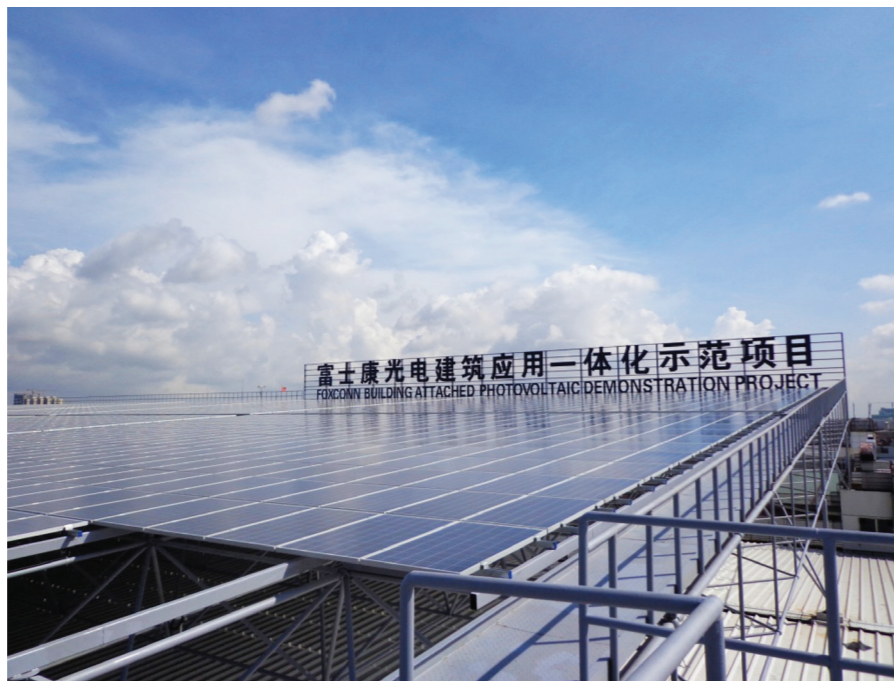


expanding investments in carbon credits trading and management activities. In 2014, the Shenzhen permissible limit for carbon emissions was 2,823,000 tons. Foxconn's actual emissions amounted to 2,301,000 tons, which was 521,000 tons under the permissible limit. The company's carbon assets amounted to RMB1,949 million.

Foxconn has actively advocated the promotion and development

of renewable and green energy. Currently, we have increased our total installed capacity of photovoltaic power generation to 50.5MW, with an annual power generation capacity of 60 million kWh. Foxconn has also implemented a 2MW building integrated photovoltaic (BIPV) project in Longhua campus. Completed in July 2012, this project consists of three multi-storey industrial building roof-top solar systems, each of them having an area of 8,760m², with the total area for each roof being 13,914m². The roof's solar PV system had a generation capacity of 2.24 million kWh in its first year, and as of December 31, 2014, the solar PV system has a cumulative generating capacity of 4.92 million kWh, saving 1,869.6 tons of standard coal, and up to 4,655.3 tons of carbon dioxide reduction.

In addition, Foxconn also organized tree planting carbon reduction activities throughout our facilities, as part of the company's focus on "reforestation" and "carbon reduction" and our goal to be carbon neutral and to promote biological diversity. Over the years, the company has planted thousands of trees in Shenzhen, Chengdu, Wuhan, Hengyang, and Guizhou, and they are cumulatively expected to reduce carbon dioxide emissions by up to several thousand tons per year. (Each tree can absorb carbon dioxide at an annual rate of 20kg)



Using renewable energy at Longhua campus with solar photovoltaic panels

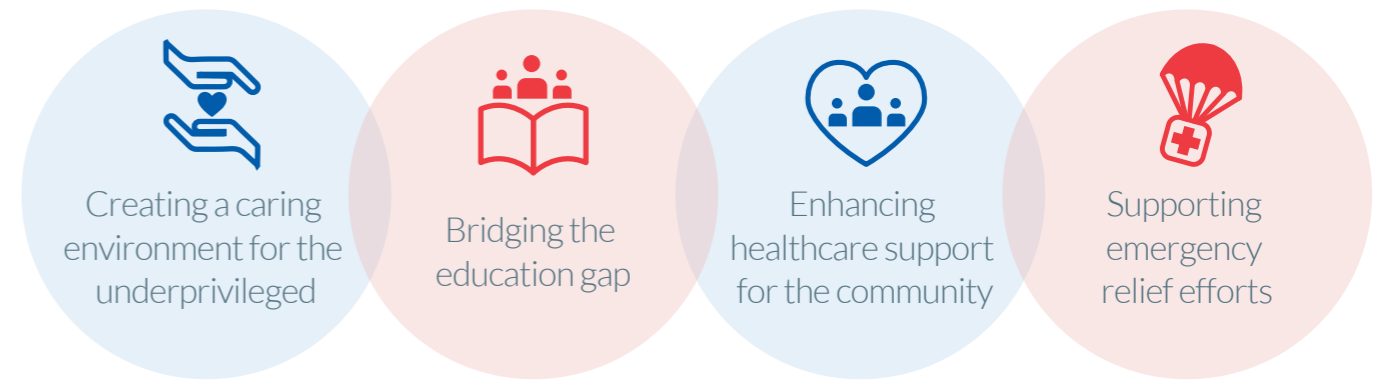


SOCIAL PARTICIPATION

Our corporate philanthropic activities are supporting the underprivileged through providing healthcare support and education opportunities and contributing to emergency relief efforts


 **TWD 517million donated** (USD 16 million)

A Focus on Social and Community-based Programs




Emergency Relief for Victims of 2014 Explosion in Kaohsiung City

TWD 10 million (USD 324,332) to support **disaster relief** efforts

 **5,000 portable power sources** delivered to facilitate rescue efforts

TWD 1 million (USD 32,433) to each of the **victims' families**

 **Service stations** to provide complimentary telephone services, SIM cards, drinking water to the area

Education

Hon Hai Education Foundation

Provided **technology and expertise** to various education institutions in Taiwan

 Affiliated Senior High School of National Taiwan Normal University
Taichung Girls' Senior High School
National Experimental High School at Hsinchu Science Park

Healthcare

YongLin Foundation

TWD 308,326 (USD 10,000) to the ALS Association of America

TWD 6.1 million (USD 200,000) to the Taiwan ALS Association

Care for the Vulnerable

Foxconn embraces a culture of sharing, contributing and giving back to the community and we actively participate in social and community-based programs, including sponsoring and hosting philanthropic activities and volunteer programs. As a responsible corporate citizen, we are committed to do our part in creating a caring environment, promoting care and respect for the disadvantaged, driving charitable programs, and contributing to the bridging of the education gap between people living in urban and rural areas.

Care for the vulnerable

(1) Ice Bucket Challenge for Amyotrophic Lateral Sclerosis (ALS)

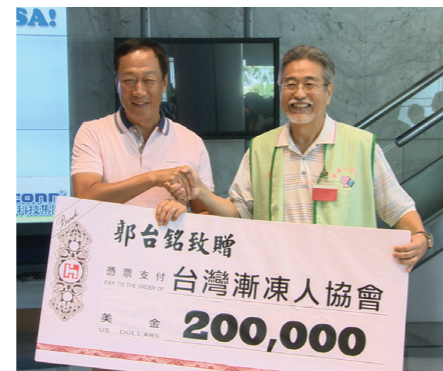
On August 19, 2014, Foxconn CEO, Terry Gou, participated in the global drive to raise awareness and support for people with amyotrophic lateral sclerosis by completing the “Ice Bucket Challenge” at our facility in Hu Yue, Taipei, and in the presence of family, employees, patients and volunteers from the Taiwan Amyotrophic Lateral Sclerosis Association



Foxconn CEO Terry Gou participating in the ALS “Ice Bucket Challenge”

A former Foxconn employee who was diagnosed with ALS in 2003 attended the event under Foxconn’s special invitation. Mr. Gou, deeply moved by the patient’s bravery in facing the challenges of this disease, including inventing a LED communication board to enhance and facilitate communications with others, made a personal donation of USD100,000 to the 52-year-old to support and encourage him and his family.

Foxconn, through the YongLin Foundation founded by Mr. Gou, also donated USD 10,000 to the ALS Association of America and USD 200,000 to the Taiwan ALS Association in support of their global drive to raise awareness and support for the disease, and to contribute to the provision of better care for ALS patients.



Terry Gou (left) handing over the USD200,000 donation to Taiwan ALS Association Chairman, Liu Yan Ju (right)

(2) Kaohsiung explosion Foxconn’s commitment in the rescue efforts

Mr. Gou donated TWD 10 million to assist in the reconstruction work of the Kaohsiung area, which was affected by the tragic gas explosion that took place there in August 2014. He also donated TWD 1 million to each of the family of all victims to assist them deal with that very difficult period.

Foxconn also assisted in the rescue efforts in the Kaohsiung area, providing 5,000 portable power sources to rescue workers and those affected by the incident. The company also donated televisions to relief shelters, in order to help victims stay updated on news and developments on the relief efforts. In addition, the YongLin Foundation and Asia Pacific Telecom set up service stations, to provide complimentary telephone services, SIM cards, drinking water, and other services.



(3) Foxconn’s caring DNA

In 2014, Foxconn held its charity program, ‘Hon Hai’s One-Acre Land’ for the third year to continue to show support and care for its employees and the community in Taiwan. The company held a “Foxconn Family Day”, where employees and their families were invited to work as a farmer for one day to walk in someone else’s shoes and learn more about how local rural communities live.

With the help of the YongLin Foundation, Foxconn organized a Lunar New Year charity event, where the company sent 30 tons of locally cultivated rice to social welfare institutions dedicated to supporting underprivileged children and their families. This enabled 83 social welfare organizations and institutions to provide aid to primary schools and underprivileged children during the Chinese New Year, so that they could enjoy the holiday with their families.

In addition, the Hope Primary School and the food department of the National Ilan University collaborated to host a fun activity for the children, where the rice was made into rice crackers.



Rice being shared with children

(4) University Student Voluntary Art Performing Program for the Elderly: “The Moving Magic Space”

The YongLin Foundation has always been a strong advocate of community work, especially in encouraging society to show care about the elderly. In 2014, the Foundation sponsored a charity project initiated by university students, where students volunteered their time to put up art performances for the elderly with the objective of raising public awareness of senior citizens’ needs. The program was developed by students from National Chengchi University, National Taiwan College of Performing Arts and National Taiwan University of Arts, and co-led by eight arts and journalism academic professionals. Over the past year, they have successfully launched



YongLin Foundation and Asia Pacific Telecom providing complimentary telephone and charging services and other resources to enable those affected to stay in touch with their family

a performing tour, visiting elderly centers, including the Renai Senior Citizens' Home (New Taipei City), the Veterans Affairs Council Rongmin Senior Citizens' Home (Changhua County), the VT House of Old People (Tainan City), and Nantou Jerry's Home for the Elderly. The Renai Senior Citizens' Home (Taichung City), and the VT House of Old People (Taoyuan City) bring joy and entertainment to the elderly through art performances.



In addition to showing love and care for the elderly, the program also aims to educate students on the importance of showing respect and care to senior citizens and inspire them to reflect on their attitude towards life. The students were also guided by teachers to record what they have done in the voluntary program and to publish these thoughts through various platforms in order to raise greater societal awareness and understanding of ageing issues and to promote the spirit of "honoring all elderly as we honor our own elderly family members".

(5) Charity Carnival

On January 26, 2014, Foxconn held a charity carnival with the theme of "intelligent life, happy sharing". In addition to all kinds of exciting performances and family activities, business units participated in a talent competition – the highlight of this year's event – where all participating units including their senior executives put in their best efforts in each performance segment to entertain members of the community, including elderly and underprivileged groups, who were invited as guests for the carnival.

The charity carnival has become a part of Foxconn's annual tradition of spreading the festive New Year joy and giving back to the community, and encouraging staff engagement and participation in doing their part for the local community. The 2014 carnival is also the fourth year where Foxconn has partnered with numerous public interest groups, and with support from employees who volunteered their time, to set up over 100 booths to sell handmade products, New Year gifts and other items, with all proceeds going to charity.



Staff volunteers helping out with Chinese New Year festivities

Cultural Growth



(1) Revolutionize education; an experimental platform

The Hon Hai Education Foundation made donations to National Taichung Girls' Senior High School, the Affiliated Senior High School of National Taiwan Normal University, and the National Experimental High School at Hsinchu Science Park, to build experimental learning platforms and interactive smart classrooms that are integrated and connected. Leveraging the strength of Foxconn's technology services, the three high schools aim to become incubators and advocates for the use of innovative technology to enhance education programs in Taiwan.

As part of the experimental education program, each student and teacher carries their personal tablet, so that students, teachers and parents can connect with each other and engage in interactive learning at all times. In addition, Foxconn aims to provide quality cloud computing services for the entire experimental platform to ensure smooth and uninterrupted services, and to inspire new possibilities in education in Taiwan.

(2) Education in the rural areas to nurture talents

The Hon Hai Education Foundation is thankful for the Pei Bo Young Foundation's long-term commitment to helping families of underprivileged children through after-school remedial teaching. In 2014, the foundation supported the implementation of a rural education program to help local communities establish education networks and programs. The plan offers training courses for secondary school teachers through unconventional, innovative teaching methods, as well as by

introducing new learning pedagogies, such as group-work, to the classroom in order to energize the students in their learning programs.



Young beneficiaries of the "YongLin Hope Primary School" project



After-school classroom activities for underprivileged children



Teachers and after-school volunteers

(3) Professional development of teaching staff

The YongLin Education Foundation has been cooperating with 14 universities in Taiwan and two non-profit organizations for eight years to implement the “YongLin Hope Primary School” project. The teachers provide after-school remedial education services for children who may have fallen behind academically due to economically disadvantaged backgrounds and the project has helped some 68,645 children.

Recognizing that teachers are key to the effectiveness of a child’s learning process, the YongLin Education Foundation recruited external teachers to conduct a training program for new or less experienced teachers, running four such sessions in 2014. In addition to the introduction of specific teaching materials, the Foundation also initiated a series of teaching programs to train the teachers and equip them with specific expertise for remedial classes.

(4) Supporting employee children in their summer activities

In July 2014, Foxconn carried out the “holiday in the sun” charity program, where it donated books and musical instruments to the Liang Zhuang Primary School, the Li Yuan Primary School, and the Zhang Gai Primary School, all of which are located in the Tongbai County of Nanyang, Henan Province. The company

also invited university students who volunteered their time to provide children with training in the areas of dance, art and painting, music, and martial arts, to help them learn about health and safety, and also guide them in completing their summer homework.



Foxconn is committed to do our part in creating a caring environment, promoting care and respect for the disadvantaged, driving charitable programs, and contributing to the bridging of the education gap between people living in urban and rural areas.



Appendix

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Report Overview		
G4-28	Period of the report	Preface
G4-29	Time of the previous report	Preface
G4-30	Report period	Preface
G4-31	Contact information	Preface
G4-32	Report content index	Appendix
G4-33	External certifications of the report	Preface

Appendix

Guideline	Report Angle	Chapter	
Organization Governance			
G4-34	Organization governance structure	1.2	
Moral Principles			
G4-56	Moral principles of the organization	1.2	
Economic Level			
Economic performance	G4-EC1	Direct economic value of production and allocation	1.1
	G4-EC3	The scope of the benefit project developed by the organization	2.2
	G4-EC4	Financial aids from the government	1.1
Market performance	G4-EC5	The percentage range of key operation sites, starting salaries of different gender, and the corresponding local minimum wage	2.2
Indirect economic impacts	G4-EC7	The impact of infrastructure investment and services for public interest	6.1 and 6.2
Environmental Level			
Energy	G4-EN3	Internal energy consumption	5.4
	G4-EN5	Energy intensity	5.4
	G4-EN6	Energy consumption reduction	5.4
	G4-EN7	Energy demand of products and services reduction	5.4
Water	G4-EN10	The total amount and percentage of water recycling	5.1
Biological diversity	G4-EN12	Describe the important impacts on protection areas and other areas with great biological diversity value of organization's activities, products and services	5.3
Exhaust emission	G4-EN15	Direct emission of greenhouse gases (category 1)	5.4
	G4-EN18	Emission intensity of greenhouse gases (GHG)	5.4
	G4-EN19	Reduction of greenhouse gas emission	5.4
Sewage and waste	G4-EN22	The total amount of sewage discharge	5.1
	G4-EN23	The total amount of waste by category and disposal method	5.2
	G4-EN28	The percentage of sold products recycling by category and the packing material	5.2
Compliance with laws and regulations	G4-EN29	The amount of fine and the number of non-economic penalty for violating the environmental laws and regulations	5.1
Overall situation	G4-EN31	The total amount of environmental spend and investment by category	5.1
Environmental assessment of suppliers	G4-EN32	The percentage of new suppliers that accepted environmental assessment	4.2
	G4-EN33	The percentage of suppliers with significant negative environmental impact that took measures to improve or end such kind of impact	4.2
Environmental complaint mechanism	G4-EN34	The total amount of the environmentally-related complaints resolved by the official complaint mechanism	4.2

Appendix

Guideline	Report Angle	Chapter	
Social Level: Labor And Decent Job			
Employment	G4-LA1	The total labor force by age, gender, and region	2.1
	G4-LA2	The benefit exclusively for full-time employees (not for temporary or part-time employees) by major operating sites	2.2
Labor relations	G4-LA4	The minimum period of notice of major operational changes, including explanation in the collective agreement	2.2
Occupational safety and health	G4-LA6	The percentage of industrial injury, occupational disease, missing work and absence by region and gender, and the number of work-related death	3.1
Training and education	G4-LA9	The annual average training hours of every employee by gender and employee type	2.5
	G4-LA10	Improvement in the continued employment ability of employees and assist employees in skills management and lifelong learning for job transfer	2.5
Diversification and equal opportunity	G4-LA12	The composition of the management employees and other types of employees by gender, age, race, racial minorities and other diversity indexes	2.1
Men and women enjoy the equal pay for equal work	G4-LA13	The ratio of male and female basic salary, and pay salary by employee types and regions	2.2
Assessment of suppliers' labor practice	G4-LA14	The percentage of new suppliers that accepted labor practice assessment	4.2
	G4-LA15	The percentage of suppliers with significant or potential negative labor practice that took measures to improve or end such kind of impact	4.2
Complaint mechanism of labor practice	G4-LA16	The amount of labor practice-related complaints solved by official compliant mechanism	4.2
Social Level: Human Rights			
Investment	G4-HR2	The total hours employees spent on human rights policies and program training and the percentage of employees accepted such kind of training	2.5
Non-discrimination	G4-HR3	The total amount of discrimination cases and the rectification measures taken by the organization	2.1
Freedom of association and collective negotiation	G4-HR4	The operating sites and key suppliers of which potential risk related to freedom of association and collective negotiation was discovered, and the measures taken to protect such employee right	2.3
Underage labor	G4-HR5	The operating sites and key suppliers of which significant risk of underage labor was discovered, and the effective measures taken to prevent underage labor	2.1 and 4.2
Forced labor	G4-HR6	The operating sites and key suppliers of which significant risk of forced labor issue was discovered, and all measures taken to eliminate forced labor in any forms	2.1 and 4.2

Appendix

Guideline	Report Angle	Chapter	
Social Level: Human Rights			
Assessment	G4-HR9	The percentage and total number of operating sites that accepted human right inspection and impact assessment	2.1 and 4.2
Human rights assessment of suppliers	G4-HR10	The percentage of new suppliers that accepted human right assessment	2.1 and 4.2
	G4-HR11	The percentage of suppliers forced to improve or end the negative impact of significant human right issues	2.1 and 4.2
Human rights complaint mechanism	G4-HR12	The total amount of the human rights-related complaint solved by the official complaint mechanism	2.3 and 4.2
Social Level: Social			
Anti-corruption	G4-SO3	The percentage of employees who participated in anti-corruption policy and formula training	1.2
	G4-SO4	Measures taken for anti-corruption cases	1.2
Compliance with laws and regulations	G4-SO8	The amount of fine and the number of non-economic penalty for violating the environmental laws and regulations	1.2
Social impact assessment of suppliers	G4-SO9	The percentage of new suppliers accepted social impact assessment	4.2
	G4-SO10	The percentage of suppliers with significant or potential negative social impact taken measures to improve or end such impact	4.2
Social impact complaint mechanism	G4-SO11	The amount of social impact related complaints solved by official complaint mechanism	4.2
Social Level: Product Responsibility			
Market promotion	G4-PR6	Selling forbidden or controversial products	1.1
	G4-PR7	The number of instances of violation of market promotion (including advertising, marketing and sponsorship) regulations and voluntary principles	1.2
Customer privacy	G4-PR8	The total number of instances of confirmed customer privacy invasion and customer materials loss	1.3
Compliance with laws and regulations	G4-PR9	The total specified amount of significant fines for violation of product and service provision and usage regulation if any	1.2

Glossary

Executive Summary	
OJT	On-the-job Training
IE	Industrial Engineering
Chapter 1	
4G	Fourth Generation
5G	Fifth Generation
AGM	Annual General Meeting
Au	Gold
CAD (Technology)	Computer-Aided Design (Technology)
CAE (Technology)	Computer-Aided Engineering (Technology)
CoC	Code of Conduct
CDP	Community Development Programs
EAP	Employee Assistance Program
eCMMS (Business Model)	e-enabled Components, Modules, Moves and Services Business Model
EICC	Electronic Industry Citizenship Coalition
FGSC	Foxconn Global SER Committee
GeSI	Global e-Sustainability Initiative
HF	Halogen-Free
ICT	Information and Communications Technology
IIDM-SM	Integration-Innovation-Design-Manufacturing and Sales-Marketing
iplQ	Institut de Protection Contre les Incendies du Québec
LTE	Long-Term Evolution
NGO	Non-Governmental Organization
OJT	On-the-job Training
R&D	Research and Development
RoHS	Restriction of Hazardous Substances
SER	Social and Environmental Responsibility
Sn	Tin
Ta	Tantalum
W	Tungsten
Chapter 2	
SHZBG	Super Precision Mechanical Business Group
Chapter 3	
CNS	Chinese National Standards
CRM	Customer relationship management
FieC	Foxconn Industrial Ergonomics Centre
h2u	Foxconn Digital Healthcare Platform (Health to you)
OHSAS	Occupational Health & Safety Advisory Services
OHSAS 18000	<ul style="list-style-type: none"> An international occupational health and safety management system specification, which comprises two parts, 18001 and 18002
SAI	Social Accountability International
<ul style="list-style-type: none"> SA8000 (Standard) 	<ul style="list-style-type: none"> An auditable social certification standards for decent workplaces, across all industrial sectors
SGS	Societe Generale de Surveillance S.A
	<ul style="list-style-type: none"> A Swiss-based inspection, verification, testing and certification company

Glossary

Chapter 4	
AML	The Approved Material List
Cd	Cadmium
CFSI	Conflict-Free Sourcing Initiative
CITI	Corporate Information Transparency Index
Cr6+	Hexavalent Chromium
DfE	Design for Environment
EICC	The Electronic Industry Citizenship Coalition
EICC-GeSI	Electronic Industry Citizenship Coalition, Global e-Sustainability Initiative
EU	European Union
GHG	Greenhouse Gas
Hg	Mercury
IPE	The Institute of Public and Environmental Affairs
ISO	International Organization for Standardization
• ISO14064	<ul style="list-style-type: none"> • A standard that is part of the ISO 14000 series of International Standards for environmental management. The ISO 14064 standard provides governments, businesses, regions and other organisations with a complimentary set of tools for programs to quantify, monitor, report and verify greenhouse gas emissions.
NGO	Non-Governmental Organization
NRDC	The Natural Resources Defense Council
Pb	Lead
PBB	Polybrominated Biphenyls
PBDE	Polybrominated Diphenylethers
PRTR	Pollutant Release and Transfer Register
PSL	Preferred Supplier List
R&D	Research and Development
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
ROHS	Restriction of Hazardous Substances
RSL	Rejected Supplier List
SER (Management Framework)	Social and Environmental Responsibility Management Framework
SVHC	Substances of Very High Concern
TCO2	Bicarbonate
VLRR	Verify Lots Reject Rate

Glossary

Chapter 5	
ERCO	Electrical Regenerative Catalytic Oxidizer
PCR	Post-Consumer Recycled
PRAC	Approved Material List
RoHS	Restriction of Hazardous Substances
LEED	Leadership in Energy and Environmental Design
SMT	Surface-Mount Technology
kWh	Kilowatt-Hour
ISO	International Organization for Standardization
• ISO50001	<ul style="list-style-type: none"> • A standard that provides a framework of requirements for organizations to: <ul style="list-style-type: none"> - Develop a policy for more efficient use of energy - Fix targets and objectives to meet the policy - Use data to better understand and make decisions about energy use - Measure the results - Review how well the policy works - Continually improve energy management.
Chapter 6	
ALS	Amyotrophic Lateral Sclerosis
(Taiwan) ALSA	(Taiwan) Amyotrophic Lateral Sclerosis Association

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